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# ***Daily Report***

## **China**

FBIS-CHI-87-202  
Tuesday  
20 October 1987

# Daily Report China

FBIS-CHI-87-202

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## United States & Canada

**Continuation of U.S.-Japan 'Air War' Seen**  
*OW160145 Beijing XINHUA Domestic Service  
in Chinese 1132 GMT 11 Oct 87*

[Commentary by XINHUA reporter Liu Wenyu: No End to U.S.-Japan "Air War"]

[Excerpts] Beijing, 11 Oct (XINHUA)— Japanese Defense Agency Director General Kurihara and U.S. Defense Secretary Weinberger reached an agreement in Washington on 2 October. It stipulates that the next generation support fighter for the Japanese Air Self-Defense Force will be developed jointly by the United States and Japan based on existing U.S. fighters and with Japan playing the leading role. The agreement may temporarily lessen the intense friction between the United States and Japan over the issue of the next generation support fighter for the Japanese Air Self-Defense force, but since both sides have their own plans, the conflict over this issue will obviously not end here.

The intense friction between the United States and Japan over this issue has continued for more than a year. Their fundamental difference is: Japan vigorously insists on "independent development" while the United States strongly demands that Japan buy its aircraft.

Japan insists that it should "independently develop" the next generation support fighter because it can rely on its advanced technology and because it has its own strategic planning. [passage omitted]

The Japanese Defense Agency holds: "An air force without technology to develop fighters is like a navy without a shipyard. Such a force cannot establish an independent strategy." The Japanese defense industry stresses: "Whether or not Japan can develop the next generation support fighter concerns whether it can establish a solid foundation for manufacturing fighters in the 21st century." [passage omitted]

The United States has been vigilantly watching this aggressive move of Japan. The United States vigorously insists on "killing Japan's 'independent development' program." This is because Japan has brought about a huge trade deficit for the United States. Whenever they think of the deficit, the Americans become very angry. The United States feels that if it succeeds in forcing Japan to buy the mentioned support fighter from it, it will mean an income of Y1 trillion. On technology matters, the United States dares not treat Japan lightly. Aviation and space industries are the United States' last trump card. It will lose this card if it allows the Japanese aircraft industry to grow. In the field of strategy, the U.S. Defense Department is worried that if Japan is allowed to "independently develop" its next generation support fighter, it might abandon its "defense only" policy and "move to where the hands of the United States could no longer reach."

As its power is declining, the United States has become increasingly angry with insatiable Japan. Therefore, it has applied a series of political means "to rectify Japan." Last spring, the United States applied sanctions against Japan on the issue of semiconductors. Later, the United States took advantage of the "Toshiba incident" to punish Japan. Now, under pressure from the United States, Japan has abandoned its plan to "independently develop" its fighters; on the other hand, confronted with Japan's resistance, the United States has shelved its smug calculations of forcing Japan to buy fighters from it.

The Kurihara-Weinberger agreement has weakened the objectives of both sides on the issue over the next generation support fighter for the Japanese Air Self-Defense Force, but the basic factor giving rise to the contradiction over this issue still remains. Therefore, the agreement has not been free of criticism. Both Japan and the United States hope to restrict each other with this agreement and at the same time gain something from it. Therefore, it will be interesting to see how both sides disclose their technological secrets during "joint development" of the fighter. The agreement is merely a general principle, and side issues will certainly crop up in the course of implementing specific matters. Therefore, a new form of the "air war" between the United States and Japan will surely continue.

## Soviet Union

**USSR Signs Contract To Sell Planes**  
*HK191346 Beijing CHINA DAILY (BUSINESS  
WEEKLY Supplement) in English 19 Oct 87 p 2*

[By staff reporter]

[Text] Ten Soviet planes worth about 320 million yuan will be added next year to the fleet of the Civil Aviation Administration of China (CAAC).

The 10 Tu-154Ms, which can accommodate 164 people, about the same as a Boeing 737, will be delivered to China next year in accordance with the contract signed last year in bilateral trade, according to Igor Krivtsov, a presenter at the Soviet pavilion in the current aviation exhibition.

A.V. Bolbot, vice minister of the Soviet Aviation Industry, came with the Soviet delegation and will negotiate with officials of the Ministry of Aviation Industry of China about further co-operation in the field.

China has imported 17 Tu-154M aircraft since 1985, when Sino-Soviet trade picked up momentum after bilateral relations improved.



As purchases of the airplanes increase, a maintenance centre is being planned for Chengdu, capital of Sichuan Province, according to Krivtsov. "Negotiations for this are going on between the Chinese and Soviet aviation ministries," he said.

China also wants to import the Yk42, a 120-seat airliner developed by the A.S. Yakovlev Design Bureau, and the signing of this contract is expected next year, he said.

The airplanes are competitive in China because they are cheap. The price is about a third less than that on the international market, but Soviet planes consume more fuel, said Wen Libin, a CAAC official.

Among the models shown at the Soviet pavilion, the one that attracted the most interest was the Tu-204, a newly developed 214-seater which will be put into production at the end of this year.

"I want to know the performance capabilities of this new version. If it can compare with the Boeing 767, CAAC is likely to buy it because of its fair price," Wen said.

### Correction to Sino-Soviet Cooperation

The following correction pertains to the item headlined "Sino-Soviet Cooperation in Fishery Planned", published in the 19 October China *Daily Report*, page 3: Page 3, first column, paragraph seven, sentence two: ...The Chinese side expressed hope that the two countries would cooperate in bioengineering projects and their fishery applications.

Both parties agreed to further discuss the form of cooperation in the Soviet Union in late 1987... (supplying dropped sentence and dropped paragraph)

### Northeast Asia

#### Improved Relations With Japan Sought

OW191714 Tokyo KYODO in English 1708 GMT  
19 Oct 87

[Excerpts] Beijing, Oct. 20 KYODO—The Chinese leadership hopes Noboru Takeshita, the designated successor to Japanese Prime Minister Yasuhiro Nakasone, will break a diplomatic impasse between the two countries, diplomatic sources here said Tuesday.

The sources said China also hopes Takeshita will seriously try to improve relations with China as the two countries will celebrate the 10th anniversary of their Peace and Friendship Treaty next year.

Nakasone has picked Takeshita, secretary general of the Liberal Democratic Party, as next president of the party, a post which carries with it the prime ministership because of its majority in both houses of the Diet.

Relations between China and Japan are said to be at their worst since their diplomatic normalization in 1972 chiefly because of a real estate issue involving a Chinese student dormitory in the western Japan city of Kyoto. [passage omitted]

The Chinese Communist Party will open a Congress Sunday to pick China's new leadership and informed sources said China hopes the inauguration of new governments in both countries will generate an atmosphere conducive to improved bilateral relations.

**North Korea Supports 'Neutral' ROK Cabinet**  
HK200658 Beijing RENMIN RIBAO in Chinese  
13 Oct 87 p 6

[Dispatch by reporter Xu Baokang (1776 1405 1660): "NODONG SINMUN Commentary Supports South Koreans' Demand for Establishment of 'National Neutral Cabinet'"]

[Text] Pyongyang, 12 Oct (RENMIN RIBAO)—The Korean newspaper *Nodong Sinmun* in a commentary today said that No Tae-u, in turning down the call by opposition parties, democratic activists, and the broad masses for the establishment of a "national neutral cabinet," wanted to make use of the present "cabinet" to give the green light to his attempt to gain the "presidency."

It is reported that, in order to make sure that the December "general election" in South Korea is conducted fairly, all the opposition parties, democratic activists, and the broad masses have asked for the establishment of a "national neutral cabinet," in which all strata are represented, to supervise the general election. However, No Tae-u openly rejected this proposal at a press conference on 8 October, saying that "there is no precedent for this in the world" and such a program is "unrealistic."

*Nodong Sinmun* pointed out in the commentary: Although the present "cabinet" claims to be a "neutral cabinet," it is by no means "neutral." Entrusting the present cabinet with the handling of the general election actually means to hand the ruling power originated from "Chongwatae" over to No Tae-u.

The newspaper noted: The demand of the opposition parties, democratic activists, and the broad masses in South Korea for the establishment of a "national neutral cabinet" is a justified one for the democratization of South Korea. It has an important bearing on the direction of development of the struggle for direct presidential elections in the future—whether the election will develop according to the people's will or be dominated by dictators and thus result in the continuation of fascist rule in South Korea.

## Southeast Asia & Pacific

### **Moscow Support for PRK Proposal Cited** *BK200316 Beijing in Cambodian to Cambodia* 1030 GMT 19 Oct 87

[Text] The Soviet Government on 17 October issued a statement expressing support for the proposal for a political solution to the Cambodian problem put forward by the Phnom Penh authorities in a statement dated 8 October.

The Phnom Penh authorities' statement did not call for the withdrawal of Vietnamese aggressor forces from Cambodia in the near future but instead repeatedly talked about the so-called immediate end of foreign intervention in Cambodia's internal affairs. The Soviet statement said the Phnom Penh authorities' statement has mapped out a concrete program of activities on achieving national reconciliation and on solving the Cambodian problem and surrounding political problems and hoped for a political solution to the Cambodian problem in accordance with the Phnom Penh statement.

This Soviet statement was issued on 17 October after the 42d UN General Assembly session again adopted with an overwhelming majority a resolution calling for the withdrawal of foreign forces from Cambodia. This shows that the Soviet Union still adheres to a stand opposing the majority of countries.

### **SRV Rejects UN Resolution on Cambodia** *OW200147 Beijing in Russian to the USSR 1800 GMT* 17 Oct 87

["International News Review": Hung Bo commentary]

[Text] A resolution on the Cambodian problem was adopted unanimously on 14 October at the 42d session of the UN General Assembly [UNGA]. It demands complete withdrawal of foreign troops from Cambodia and giving the Cambodia people an opportunity to decide their own future. Our radio commentator Hung Bo now discusses this issue:

This is already the ninth consecutive resolution adopted by a UNGA session on the Cambodian problem. At the current session 117 votes were cast for the resolution, which is 2 more votes than at the previous session. This shows that the international community continues to energetically support the Cambodian people in their just struggle against Vietnamese aggression and for the salvation of the motherland.

In recent years, on the eve of every UNGA session Vietnam has initiated a new offensive aimed at ensuring that the least number of UN members support the draft resolution on the Cambodian situation. Nevertheless, it has suffered one failure after another. In recent months Vietnam has once again begun talking profusely about its

intention to normalize the Cambodian problem by political means. At the end of July it proposed: First, to hold meetings of the belligerent sides in Cambodia and to realize national reconciliation on this basis; then, to convene an international conference with the participation of Vietnam, the ASEAN countries, and other interested countries that would provide international guarantees. At the end of August, the Phnom Penh authorities published a six-point program for national reconciliation based on elections, while at the beginning of October—the start of debate on the Cambodian problem at the UNGA session—they also dredged up a five-point concoction on a political settlement of the Cambodian issue.

At first glance, both Hanoi and Phnom Penh displayed a sincere desire for a peaceful solution. However they did everything possible to evade the essence of the key issue, the withdrawal of Vietnamese troops from Cambodia, with the aim of turning the occupation of Cambodia by Vietnam into a question of civil war in Cambodia.

Representatives of an overwhelming majority of countries noted in their speeches at the session that Vietnam continues to pursue the aim of further occupying Cambodia and legalizing the puppet clique in Phnom Penh with talk about draft proposals on achieving national reconciliation in Cambodia and withdrawing troops from that country.

Li Luye, PRC permanent representative to the United Nations, during the debate on the Cambodian issue, said: For a just and rational solution of the Cambodian question, and for realizing national reconciliation in that country, the Chinese Government considers it necessary to withdraw all Vietnamese troops from Cambodia; to realize national reconciliation under the leadership of Samdech Norodom Sihanouk which would not exclude any of the factions nor permit any of these factions to unilaterally assume power; and to give the Cambodian people an opportunity to decide their fate and future themselves without foreign interference.

On the eve of debates on the Cambodian issue at the UNGA session, the Vietnamese authorities once again pulled a trick with a partial withdrawal of troops. The Phnom Penh authorities even proposed that Samdech Norodom Sihanouk occupy the top position in the state governing apparatus. Using the name of Samdech Norodom Sihanouk, who is acceptable to various sides, they sought to form a government, the mainstay of which would be the Heng Samrin clique. Thus, they would split the Coalition Government of Democratic Kampuchea in order to give Vietnam an opportunity to realize its plan of establishing an Indochina Federation.

In his written address to the UNGA session, Samdech Norodom Sihanouk unmasked Vietnam's schemes. He said: Vietnam is stubbornly striving to achieve national reconciliation before the withdrawal of all its troops from Cambodia. This simply puts things back to front.

National reconciliation will be implemented without delay, Samdech Norodom Sihanouk noted, when Vietnam ends its military occupation of my country.

Unfortunately, the Soviet Union, which talks a lot about its desire for a political settlement of the Cambodian problem, once again, together with Vietnam, cast its vote against the resolution on Cambodia. On the second day after this resolution was adopted, the Vietnamese Ministry of Foreign Affairs declared that it will refuse to fulfill this resolution. This shows that Hanoi's basic position on the Cambodian question remains unaltered. The Vietnamese authorities, following their own course, are attempting to continue the occupation of Cambodia under the pretext of so-called national reconciliation, but eventually they will simply reach a stalemate.

### Near East & South Asia

**RENMIN RIBAO on U.S. Raid on Platform**  
*HK200930 Beijing RENMIN RIBAO in Chinese*  
20 Oct 87 p 1

[Dispatch by reporter Zhang Yunwen (1728 0336 2429):  
"U.S. Warships Destroy an Iranian Oil Platform"]

[Text] Washington, 19 Oct (RENMIN RIBAO)—U.S. Defense Secretary Weinberger announced at a news conference this morning that at 0700 American Eastern Daylight Time, a U.S. task force in the Middle East made a "measured and appropriate" response to the Iranian missile attack against a U.S.-flagged Kuwaiti tanker last week.

Weinberger said that five American warships used 5-inch guns to fire over 1,000 shells to blast and destroy an Iranian offshore oil platform near Qatar, more than 100 km from the Iranian coast. Weinberger said that the platform was long used as a radar and naval base and was used to monitor and harass the U.S. Navy's escort activities and to attack U.S. helicopters.

Weinberger said that the American warships gave warnings to the 20 to 30 Iranians on the platform 20 minutes before the bombing began and let them leave the platform.

Weinberger said that the bombing action was completed and that the United States did not seek further military confrontation with Iran. However, he warned, the United States will be fully prepared to meet any further military escalation by Iran with stronger retaliation. Weinberger said that the U.S. action will be greatly beneficial to the safety of its "legal and peaceful" activities in the Gulf region.

Later this morning, U.S. Presidential Spokesman Fitzwater read a statement by President Reagan at the news conference, saying that the action taken by the United States against Iran, which illegally used military force

against the United States and violated the rights of non-belligerent nations, was based on the "exercise of the right of self-defense enshrined in the UN Charter."

Fitzwater said that the U.S. Government has informed the UN Security Council chairman about the action and the United States has no desire for a military confrontation with Iran, but Iran should cherish no illusion about the determination and ability of the United States.

### West Europe

**News Analysis on British Isolation at Meeting**  
*OW191322 Beijing XINHUA in English 1210 GMT*  
19 Oct 87

["News Analysis: Britain Isolated at Commonwealth Meeting (by Xue Yongxing)"]—XINHUA headline]

[Text] London, October 18 (XINHUA)—The five-day Commonwealth summit which ended Saturday failed to take wider and tighter measures against the apartheid regime of South Africa because of Britain's opposition.

A BBC reporter said that Britain appeared to be more isolated at the meeting while other Commonwealth nations were united more than ever in their position against Britain's South African policy.

Britain reluctantly agreed to impose "limited sanctions" against Pretoria at the Commonwealth meeting in 1985. But at the mini Commonwealth summit in London last year it strongly opposed any further sanctions while the other six participants—Canada, Australia, India, Zimbabwe, Zambia and the Bahamas Islands decided to ban uranium, coal and steel imports from South Africa.

Although Britain later announced it would not make further investments nor help develop tourism in South Africa, its decision to stay short of imposing overall sanctions against Pretoria was criticised within the Commonwealth. As a result, many countries boycotted the Edinburgh Commonwealth Games in 1986.

At the 26th Commonwealth meeting this year, British Prime Minister Margaret Thatcher tried to defend Britain's position, insisting that sanctions would make Pretoria even more obstinate and persist in its apartheid policy. She maintained that any change in South Africa would have to be brought about through internal economic development.

Leaders of Zambia, Zimbabwe and India criticised Thatcher's position as being "anti-international trend," and against the interests of the people of Commonwealth nations, including Britain.

Analysts believe that Thatcher's statement is only an excuse and the true reason behind it is Britain's huge



investments in South Africa, which make up 45 percent of the foreign capital there.

Britain is also the largest trading partner of South Africa. Trade between them amounts to 2.5 billion U.S. dollars each year, exceeding the total of South Africa's trade with the rest of the Commonwealth states.

It was announced at the end of the Ottawa meeting that Thatcher will visit Africa early next year, the first since she took office in 1979. People hope that the visit will enable her to better understand the reality in southern Africa and bring about a realistic change in Britain's policies toward that part of the African Continent.



## **CPC Central Committee Plenum Opens 20 Oct**

### **Politburo Members Preside**

OW200822 Beijing XINHUA in English 0812 GMT  
20 Oct 87

[Text] Beijing, October 20 (XINHUA)—The 7th Plenary Session of the 12th Central Committee of the Communist Party of China was held here today.

Zhao Ziyang, Deng Xiaoping, Li Xiannian, Chen Yun and Hu Yaobang, members of the Standing Committee of the Central Committee's Political Bureau, presided over the Plenary Session.

The session discussed and approved the report of the Central Committee to the 13th National Congress of the party as well as a draft revision of some articles of the party Constitution, and it agreed unanimously to submit the two documents to the national congress for deliberation.

The session discussed and approved in principle "General Ideas on the Reform of the Political Structure", and decided to include the main points of this document in the report of the Central Committee to the 13th National Congress.

According to a communique of the session, the CPC Central Committee confirmed the decision made by its Political Bureau at an enlarged meeting held on January 16, 1987 to accept Hu Yaobang's resignation from the post of general secretary of the Central Committee and the decision on electing Zhao Ziyang its acting general secretary.

The session also confirmed a July 14 decision of the CPC Central Committee's Political Bureau to remove Shen Tu, former director-general of the Civil Aviation Administration of China, from the CPC Central Committee.

A five-day preparatory meeting was held prior to the plenary session.

Attending the session were 202 Central Committee members and 122 alternate members. Also attending as observers were members of the CPC Central Advisory Commission and of the Central Commission for Discipline Inspection, as well as leading members of various quarters concerned.

The session was conducted in an atmosphere characterized by "democracy, unity and liveliness", the communique said.

### **Beijing TV Shows Plenum**

OW201251 [Editorial Report] Beijing Television Service in Mandarin at 1100 GMT on 20 October, in its "National News Hookup" program, carries a 2.5-minute video report on the 7th Plenary Session of the 12th CPC

Central Committee held in Beijing on 20 October. Video opens with a close shot of a CPC emblem hung on a curtain behind the rostrum. The camera then pulls back to show sections of the meeting hall, cutting to pan shots of some of the participants, including Song Jian, Wang Zhen, Bo Yibo, Song Renqiong, Deng Yingchao, Ulanhu, and Kang Shien. This is followed by a shot of the rostrum, showing Deng Xiaoping seated in the center with Zhao Ziyang and Chen Yun seated on his left and Li Xiannian and Hu Yaobang on his right. Video shows closeups of these five leaders with the announcer identifying them, and then cuts to medium shots of Hao Jianxiu, Qiao Shi, Fang Yi, Wan Li, Peng Zhen, Xi Zhongxun, Tian Jiyun, Li Peng, Yang Dezhi, Yu Qiuli, Hu Qili, Ni Zhifu, Chen Muhua, Hao Jianxiu among those sitting on the first row. Video ends with a shot showing the participants applauding.

### **CPC Congress To Open 25 Oct**

OW200758 Beijing XINHUA in English 0752 GMT  
20 Oct 87

[Text] Beijing, October 20 (XINHUA)—The 13th National Congress of the Communist Party of China (CPC) will open in Beijing on October 25, 1987, according to a decision made by the 12th CPC Central Committee at its 7th Plenary Session here today.

### **CPC Discipline Inspection Commission Meets**

OW200847 Beijing XINHUA in English 0832 GMT  
20 Oct 87

[Text] Beijing, October 20 (XINHUA)—The Central Commission for Discipline Inspection of the Communist Party of China (CPC) held its Ninth Plenary Session in Beijing Monday.

In a written speech to the session, Chen Yun, first secretary of the commission, pointed out that the key to rectifying the party's working style lies in improving the general qualities of party members. Wang Heshou, second secretary of the commission, addressed the meeting.

Han Guang, permanent secretary of the commission, presided over the session, which was attended by 121 members of the commission.

The session discussed and approved the work report of the commission to the coming 13th CPC National Congress, and agreed to submit it to the congress for deliberation.

### **CPC Advisory Commission Holds Plenum**

OW200912 Beijing XINHUA Domestic Service in Chinese 0820 GMT 20 Oct 87

[Text] Beijing, 20 Oct (XINHUA)—Communique on the Seventh Plenary Session of the Central Advisory Commission of the Communist Party of China.

(Adopted on 19 October 1987 by the Seventh Plenary Session of the Central Advisory Commission)

The Seventh Plenary Session of the Central Advisory Commission of the Communist Party of China was held on 19 October 1987 in Beijing. Attending this session were 159 members of the Central Advisory Commission. Comrade Wang Zhen, vice chairman of the Central Advisory Commission, presided over the session and delivered an opening address. Comrade Bo Yibo, another vice chairman of the Central Advisory Commission, spoke at the session.

The plenary session discussed and approved the work report of the Central Advisory Commission to the 13th National Party Congress and agreed to submit it to the congress for deliberation.

**CPC Congress 'Political Ceremony' to Many**  
*HK201110 Hong Kong AFP in English 1029 GMT*  
20 Oct 87

[By Nina McPherson]

[Text] Beijing, Oct 20 (AFP)—For many urban workers, shopkeepers and students the Chinese Communist Party's 13th Congress opening this Sunday is just another political ceremony far removed from the concerns of their daily lives.

"The congress is for our leaders. It's just another boring meeting. I still have to think about eating and making my living," said a 29-year-old construction worker here.

For him and his fellow workers on their construction site, the congress is palace intrigue, the end of an obscure drama between China's "old men" that has already been played out behind the guarded, imperial red walls of the Zhongnanhai, the party's official headquarters.

"The congress? I'm not interested. And I'll tell you one thing: It's not going to change China," said an 18-year-old migrant worker from Hunan Province.

Most of his co-workers refused to talk to this reporter, fearful of the nearby presence of their "leader," one of China's 46 million party members.

Fear of such "leaders" and an overwhelming party bureaucracy whose legions of low-level officials control virtually every aspect of life in China, is what the congress will not change, according to many Beijing residents interviewed.

"You know, whether its conservatives or reformists in power, open policy or not, it doesn't much matter to me. I still have to live with the party," said a 52-year old maintenance worker, who added that his main concern was trying to bribe a local party secretary to give his married son an apartment.

Politics for such people is still a feudal art of cultivating "guanxi" or connections with all-powerful party officials for scarce resources: apartments, long-awaited job transfers, and places in universities for their children.

Many people interviewed said that coping with sudden and arbitrary price rises on fixed salaries was a source of anxiety and resentment unlikely to disappear after the 13th Congress.

"We all worry about prices. Almost everybody thinks that market reforms are good, but we have all lost some feeling of security," said a 40-year-old state factory worker and mother of two, who spoke bitterly of the effect of inflation on her monthly salary.

An absence of "trust" or "feeling of security," is a problem many Chinese say will remain long after the party congress is over. They said they live from day-to-day, bearing in mind the many upheavals of the past, and are unable to trust in the large scale plans for reform.

China's reformist Premier Zhao Ziyang has said that the congress will unveil an ambitious programme of political reform aimed at wresting decisionmaking power from party officials, especially within state enterprises.

But young intellectuals said they were skeptical about the prospects for political and legal reform in a one-party state.

"Comrade Deng tells us that political reform will separate the power of the party and the government. But the problem remains: How can we trust the party to control itself?" said a 22-year-old history student.

Some graduate students and professors here were restrained in their comments about political reform, saying they expected the congress would bring little more than a streamlining of China's bloated bureaucracy.

"We may get a younger leadership after the congress, but it's still a party leadership concerned with maintaining its authority. Personally, my life will not change," said one 35-year-old physics student.

**Democracy Promoted by Effective Supervision**  
*OW190946 Beijing XINHUA in English 0901 GMT*  
19 Oct 87

["Roundup: Supervision, China's Effective Way To Promote Democracy"—XINHUA headline]

[Text] Beijing, October 19 (XINHUA)—A former secretary of the Fushun City Committee of the Communist Party of China (CPC) in northeast China's Liaoning Province was warned and removed from his post in 1985 for his abuse of power.

The case was revealed by several letters from local people which were directly posted to the central leadership, and then, a decision was made accordingly after the facts were built up.

This is one of the examples of how the supervision of the party and government officials is exercised through administrative measures, party discipline, the people, press, the democratic parties and mass organizations.

According to the Chinese Constitution, all the government functionaries and government employees have to accept people's supervision, and the Constitution of the Chinese Communist Party defines that every party member, whatever his or her position, must accept supervision from within and outside the party.

This has not only promoted the process of building socialist democracy, but also raised people's sense of exercising their democratic rights.

According to incomplete statistics, the Chinese provinces, municipalities and autonomous regions received more than 1.39 million letters and visits in person in 1986, and many of them were related to people's supervision over the party and government work and their officials.

According to the Discipline Inspection Commission of the CPC Beijing Municipal Committee, it handled 40 major and serious cases last year, and 19 of them were exposed by people in letters and by visits.

In addition, the setting up of special telephone lines in some cities through which residents can directly phone mayors' offices, the reception dates designated for party and government officials to meet people and different public opinion polls are now playing an effective role in communications between the officials and people.

Feng Zhijun, vice-chairman of the Central Committee of the China Democratic League, one of the country's eight democratic parties, said that with the development of socialist democracy, the function of supervision has been greatly reinforced.

To strengthen the supervision system, he said, has become an important measure to promote socialist democracy. Facts show that construction of a political system with highly-developed democracy cannot be separated from building a supervision system, and the strengthening of supervision depends on the development of democracy, he added.

The National People's Congress (NPC) and its Standing Committee, China's highest legislative body, have in the past few years made great progress in promoting legal supervision.

Now, a system in which deputies to people's congresses at different levels are authorized to make inspections in their constituencies has become regular in many places. This has helped reflect people's opinions to upper authorities in time.

During and after the Fifth Plenary Session of the Sixth National People's Congress and the Fifth Session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) held in March this year, People's Congress deputies and CPPCC National Committee members have raised 4,730 motions and proposals, and more than 2,000 of them have been handled so far.

Newspapers, and radio and television services have played an even bigger role in helping people exercise their rights of supervision.

The "People's Daily", China's leading newspaper, carried a story on September 23 about a senior party official in Shanxi Province who used his power and influence to protect his rapist son from justice.

Tong Yun, 65, former deputy secretary of the Taiyuan City party committee, was expelled from the party.

In December last year, the NPC Standing Committee decided to set up a Ministry of Supervision which reinstated the system of state administrative checks. Now, preparations are well under way for the establishment of such supervisory organs at and above the county level, *Xinhua* has learnt.

#### Construction Firms Urged To Expand Overseas

HK200835 Beijing CHINA DAILY in English 20 Oct 87 p 2

[By staff reporter Tian Ying]

[Text] The State is encouraging the country's construction firms to expand overseas, and at the same time is welcoming foreign companies to invest and increase their business in China, a State Councillor said yesterday.

If the co-operation is beneficial to all partners, the Chinese Government will offer preferential treatment and create conditions for cooperative projects, State Councillor Zhang Jingfu said in Beijing at the opening of a two-day symposium on international construction contract development.

Jointly sponsored by the China Building Industry Association (CBIA) and the China State Construction Engineering Corporation (CSCEC), the symposium has attracted 96 construction contractors, consultative firms and banks from 14 countries and regions.



Symposium participants are exchanging views on the world economy, which is closely tied to construction, on the international contract market, and on strategies for developing contract business. They are also exploring ways to cooperate.

After dropping for several years, world construction contract business has recovered slightly as a result of steady oil prices. The Gulf states are earning more income from oil and have more projects to contract out to foreign firms.

However, new problems have appeared on the international labour market. Project owners are trying to force prices down, and there is also a demand that bidders use their own funds for costs while construction is going on. There is a trend of deferred payments and payment in kind.

"All these have posed new problems for study, and that is why we are holding the symposium," said Ma Tinggui, General Manager of CSCEC.

To help foreign companies learn more about China, organizers of the symposium have also invited Chinese Government officials to explain China's modernization development programme, its investment environment, related laws and regulations, and the present situation of its building industry.

China's building firms are making efforts to expand their business overseas. The country's overseas construction and labour businesses have developed since 1979. There are now 67 firms in China engaged in this type of business. By the end of last year they had signed nearly 4,000 contracts valued at \$6.37 billion with 102 countries and regions.

About 50,000 Chinese workers are building hotels, housing units, power stations, harbours and water-control projects in Asia and Africa, Ma said.

Chinese construction firms have qualified technical and managerial personnel. They are capable of undertaking a whole range of work, including design, research, consultancy and construction, he said.

**Foreign Experts Invited To Push Modernization**  
*OW190908 Beijing XINHUA in English 0817 GMT*  
19 Oct 87

[Text] Jinan, October 19 (XINHUA)—China has invited more and more foreign experts to facilitate its modernization program and will take measures to further improve their lives and working conditions in China.

According to Li Mingjun, director of the State Foreign Experts Bureau, along with the increasing amount of foreign equipment and technology coming into China, the number of foreign experts went up from a few

hundred in 1978 to more than 20,000 in 1987. Cooperating with their Chinese counterparts these experts from 50 countries and regions have contributed to the construction of 130 projects and the advance of China's science and technology.

In order to make a better living and working environment for them, Li called on Chinese scientific workers, teachers and cadres to better cooperate and make friends with foreign experts, and help them with their difficulties. He also urged guest houses to offer them better services and make it more comfortable for them to live in China.

In some key project construction sites, he said, efforts will be made to improve traffic and communication services and guarantee the supply of their daily necessities.

**Bank To Issue New Financial Bonds**  
*OW190914 Beijing XINHUA in English 0653 GMT*  
19 Oct 87

[Text] Beijing, October 19 (XINHUA)—The Industrial and Commercial Bank of China will issue a new financial bond to collect funds to help new enterprises, *Xinhua* learnt today.

Starting from this month, the bank will issue 1 billion yuan in bonds—600 million yuan-worth of progressive interest bonds and 400 million yuan-worth of agro bonds. The bond will be issued in 100, 500, and 1,000 yuan denominations. Individuals and industrial and commercial enterprises are prospective bond buyers.

Money thus collected will be used to provide special loans to new enterprises. The bond can be transferred and traded.

**XINHUA To Begin Economic News Service**  
*OW190754 Beijing XINHUA in English 0733 GMT*  
19 Oct 87

[Text] Beijing, October 19 (XINHUA)—*Xinhua News Agency* will start the "China Economic Information Service" (CEI) next month, providing economic news about China in English, CEI announced here today.

After a four-month trial period, CEI is now ready to provide the service starting next month, three times a week. Subscriptions are to be handled first in Hong Kong through the electronic mail boxes (dialcom) of Cable and Wireless (Hong Kong) Ltd.

CEI aims to meet the requirements of China's accelerating economic reform and the open policy, and promote the development of China's economic relations and trade.

CEI offers its services to overseas industrial, commercial, financial and banking circles, and others who are interested in China's economy and markets. Apart from



providing macro- and micro-economic information, CEI will also offer consultancy service to overseas businessmen who are intending to invest in or do business with China.

CEI will carry some 30 sections covering various opportunities in China's markets such as foreign capital demand, import and export trade, technology import and export, labor services and project contracting, skill requirements, tourism, China's investment climate, policies and regulations, transport and telecommunications conditions, and China's economic relations and trade with other countries and regions.

CEI will also carry timely economic information about China's special economic zones and open coastal cities.

#### **Article Views Urban Economic Reforms**

*HK200915 Beijing LILUN YUEKAN in Chinese No 9, 25 Sep 87 pp 3-6*

[Article by Sun Xiaoliang (1327 2400 5328): "A 10-Point Rethink on Urban Economic Structural Reform"]

[Text] China has achieved universally acknowledged results, and also met with some new problems, in economic reform over the past 8 years. Correctly evaluating these results and problems, and summing up experience and lessons, will help us strengthen our confidence and have a correct orientation in reform, and also give us useful knowledge and skills in guiding in-depth development of the reform. Motivated by this spirit, I hereby put forward the following 10 suggestions.

1. The central leadership has made a decision on economic structural reform but has not put forward a general plan for conducting the reform.

"The Decision by the CPC Central Committee on Economic Structural Reform" (hereinafter called "The Decision") is just like the "design drawings" for a project, making clear the orientation and tasks of the reform and laying a good foundation for its smooth progress. This is very important. However, if a project should be carried out, merely having the design drawings is not enough, and it is necessary to have the whole "project design" and to determine the coordinative relations between all single projects and the speed. Reform is also like this. To guide the 1 billion people in conducting reform we must formulate a general plan for conducting the reform in accordance with the spirit of "The Decision." As we lack such a general plan it has resulted in the following: 1) Reforms are not coordinated and even restrict each other. 2) Reforms were not started at the right time. Reforms that should have been started early were started later, and those that should have been started later were started early. The combination of these two has resulted in some chaos in the economic rational mechanism. Some of the so-called "contradictions and conflicts between new and old systems" are unavoidable, but some result from our failure to coordinate various

reforms, and from our reversing the order of starting reforms, both of which are avoidable. Practice tells us that to ensure smooth progress and healthy development of the reform we must have a general plan. Under the guidance of the general plan we can conduct reform in a planned way according to the "mutual relationships," "sequential demands," and "critical limits" of reforms. The demand to formulate a general plan does not mean a demand to "accomplish the whole task at one stroke," nor does it mean a demand to "place reforms in appropriate positions." The economic management system is a complicated social system and economic structural reform is a giant systematic project. The main task in the general plan is to pay attention to fundamental relations between various reforms so that the reforms can move, step by step, from a low-level to a high-level in an orderly way. Reforms can be gradually deepened and placed in an "appropriate position," but every step should be "well coordinated" with others and, therefore, orderly. Efforts should be made to avoid disorder.

2. We have a firm determination to conduct reform and have taken quick action, but we are not well prepared. The economic structural reform involves many theoretical problems, many management systems and methods that have been formed for a long time, and the immediate interest of leaders at all levels and millions upon millions of people. Therefore we must not only have firm determination, but we must also be well prepared. The central leadership has a firm determination to conduct reform and wishes to take quick action and achieve good results. People can sense this and are inspired by this. It is also the basic prerequisite to the victory of reform. However, we have failed to make good preparations in all fields. This will affect the smooth progress of the reform, or even result in some relapses. Specifically speaking: 1) We have failed to make good preparations in theory. We have failed to reach unanimity in the understanding of some major theoretical problems, resulting in some relapses of formulation concerning the whole situation, and in some chaos in reform. 2) We have failed to make good ideological preparations. Therefore we make totally different comments on some new reform phenomena. 3) We have failed to make good preparations in knowledge. The intellectual structure of some leading comrades and leading organ personnel cannot meet the needs of the management of economic activities under the new economic operational mechanism. This will not only result in their inability to lead economic activities but will also, consciously or unconsciously, hinder reform. 3. We have chosen a correct breakthrough in conducting economic structural reform, but have failed to create the proper conditions or environment for expanding the achievements.

China's urban economic structural reform treats giving more decision-making power to enterprises as a breakthrough. This corresponds not only with China's practical situation but also with the general orientation of developing productive forces. So it is absolutely correct.

However to give more decision-making power to enterprises in their business operation and merely relying on regulations set by governments at all levels is not enough. A proper environment and conditions are required. The main condition is to form a commodity market and a market of production elements. To form market environments we must also conduct radical reform of planning, and the material and price management system. However when we want to conduct thorough reform in these fields we are always hesitant, so we have never made a breakthrough. Under such circumstances we often formulate regulations to give more decision-making power to enterprises but fail to genuinely implement them. The situation where enterprises operate by themselves appeared occasionally. Consequently, we could only make small breakthroughs against the old system, but could not expand our achievements and win the complete victory.

4. It is correct for us to link workers' pay with the enterprises' economic results, but we lack concrete scientific methods. The failure to link workers' pay with enterprises' economic results is the main cause for enterprises lacking internal motive power to improve business management, and the main cause for workers having a weak sense of being masters of their own affairs. This is also the major shortcoming in the old system. Therefore, linking workers' pay with the enterprises' economic results is grasping the essence and the orientation is correct. The problem is that our methods of linking workers' pay with the enterprises' economic results are unscientific, such as the concrete indices for evaluating enterprises' economic results and concrete methods of linking enterprises' economic results with workers' pay.

The methods once adopted by us, such as profits retention, fixed profit quotas, profit contracts, and regulatory tax, and the experimental method of linking the increase in total wage amount to the increase in profit tax submitted to the state, have two problems in common. 1) They all treat the achieved profit and the submitted profit tax as economic results. In fact, the achieved profit and the submitted profit tax are a form of reflection of output, but economic results should be an input-output ratio. If we pay attention only to output and not to input it will be impossible for us to accurately evaluate an enterprise's economic results. 2) These methods have not eradicated the old "base figure method" way of thinking. This kind of base figure method only makes for a "vertical comparison" between an enterprise's past and present and does not make any "horizontal comparison" between different enterprises. But reform of the distribution system of consumption funds requires "horizontal comparison" between enterprises. If an enterprise's economic results are better than its past economic results, but are still poorer than that of another enterprise which has made little improvement in its economic results, then its income should also be lower than that of the latter. Otherwise, it would lead to the unnecessary side effect of "whipping a willing horse."

5. It is correct to treat invigorating enterprises as the central link of economic reform, but the basic idea and method on how to invigorate enterprises need to be discussed.

Enterprises are economic activity cells. If enterprises are not invigorated then the whole national economy will lack vitality. One of the main problems in the old system, whose basic characteristics are overconcentration of power in the government and direct government control, is that the system restricted enterprises' initiative and creativity and enterprises lacked vitality. Therefore, the idea that reform must focus on invigorating enterprises is correct.

But how can we invigorate enterprises? The basic idea and method over the past 8 years has been to "delegate power, transfer interests, and give benefits." This has achieved some results, but some problems also exist. First, we cannot talk about delegating power indiscriminately but must have a clear understanding of what decision-making powers should or should not be delegated; whether the powers should be delegated to enterprises or to local governments; and on how to form rational "policy decision-making organs." If we fail to distinguish one from the other and "delegate powers" indiscriminately, then we will certainly meet with a situation in which "delegating power results in chaos, and taking back power results in rigidity." We have been talking about delegating and taking back powers for a long time but have not yet formed a rational decision-making organ. The cause for this lies in our failure to make an analysis. Second, as seen from the practical effect, "transferring interests, reducing taxes, and giving benefits" cannot fundamentally solve the problem of arousing the enterprises' enthusiasm but would urge enterprises to compete with the state in gaining interest and benefits. Theoretically speaking, the method of transferring interests, reducing taxes, and giving benefits has not eradicated the old economic mechanism, and is still within the scope of "enterprises' demand and the state's grant." Furthermore, the method of reducing taxes, transferring interests, and giving benefits is restricted by the state's financial power. In other words, there is a question of "whether the state is able to do so." Therefore this method cannot properly coordinate the relationships of interest between the state and enterprises.

To genuinely invigorate enterprises, we must give up old ideas and establish new ideas. It means we must establish rational policy decision-making organs and form a new economic mechanism. Under this new economic mechanism a well-managed enterprise must rely on its own efforts to obtain "benefits," and should not rely on the state's "grant." A poorly-managed enterprise of course cannot gain "benefits," and the state should not "grant" anything either. The contracted management responsibility system is a concrete form of this new idea. Are there any other forms? It needs our exploration.



6. We have made clear in theory that ours is a planned commodity economy, but have not yet solved the problem of how to manifest it in the system.

In China's present stage we cannot practice the planned economy envisaged by Marx and Engels, nor can we practice capitalist commodity economy. We can only practice planned economy under the condition of commodity economy, namely, planned commodity economy. This major theoretical breakthrough has provided us with a correct theoretical basis in conducting China's economic structural reform. However, we have not yet properly solved the problem of how to reflect this demand in the management system. We have divergent views on it and our practical methods are also extremely different. For example, the planning system reform is limited to only reducing the varieties of products covered by mandatory plans. This cannot ensure planned social production, nor can it help develop commodity production. Even if we carry out mandatory production plans only in steel, and distribute steel in a planned way, then other products using steel cannot enter the market either. Thus, it is impossible to bring into play the regulatory role of market mechanism and the development of commodity economy will also be restricted.

This writer holds that defining the scope and role of direct regulation by plans and market regulation in an appropriate way is the key to reflecting planned commodity economy in the management system. The general demand should be: The construction of production ability concerning the overall situation of the national economy must be directly regulated by plans, and the production and circulation of products under the established conditions of production ability must be regulated mainly by market mechanism. Thus it can not only ensure planned and coordinated development of the national economy, but also that the regulatory role of market mechanism be genuinely played in production and circulation. Only this system can reflect planned commodity economy and play an important role in practical economic activities.

7. Enterprises want to operate independently and government economic management departments want to change their function. These demands are correct, but the necessary environment and conditions need to be created to satisfy these demands.

Enterprises demanding independent operation and management departments demanding to change their function are two aspects of a problem. They all need a common environment, namely to form a market system: in other words, a certain degree of market development. Without a market, enterprises cannot operate independently and government economic management departments cannot change their function. The practice of economic structural reform has long demanded independent management for enterprises and that management departments change their function. However, due to the

incomplete and unsound market development these demands are, to a large extent, only desires and slogans, and little progress has been made in reality.

The current task is to improve the market system, including the commodity market and the market for various production elements. It can be said that the degree of market development determines the degree of independent management of enterprises and the degree of functional change in management departments. If we do not create a market environment, but demand independent management for enterprises and functional change in government economic management departments in isolation, it will get us nowhere.

8. In setting general targets for economic reform we need to pay attention to two restrictive conditions. However, we often stress one and ignore the other.

Continuous and steady economic development requires two basic conditions: 1) Enterprises must have vigorous vitality; 2) We must conscientiously maintain proportional and coordinated development of the national economy. Our economic structural reform must satisfy these demands simultaneously. The practical difficulty is that these two form a group of mutually restrictive conditions. In the preceding stage we often laid stress on invigorating enterprises, but paid less attention to conscientiously maintaining proportional and coordinated development of the national economy. Consequently, we lost control over some economic activities. When this happened we often relied on the old system to strengthen control, thus affecting the vitality of enterprises.

The way out of this vicious circle is to meet the best demand in mutual restriction according to these two conditions, and to define the general targets for economic reform. In other words, we should not seek the maximum invigoration of enterprises, nor should we seek highly concentrated control over economic activities. The two must compromise with each other in an appropriate way. To solve this problem we can start with readjusting decision-making organs. The decision-making power in macroeconomic activities should be held by the state, but the decision-making power in microeconomic activities should be delegated to enterprises. Only this kind of powerful decision-making organ can invigorate enterprises and achieve the best in proportional and coordinated development of the national economy in mutual restriction.

9. Regarding the two major problems that should be solved in economic structural reform, we often stress one and ignore the other.

Since China's economic structural reform is self-improvement and self-development of the socialist system, we must properly solve two problems: One is to improve the economic operational mechanism, and the other is to improve the form of integration of laborers and the

means of production. Up to now there have existed some problems in these two fields. These problems need, and can also be solved by, economic structural reform.

However, in studying and conducting economic structural reform, we often pay attention to improving the economic operational mechanism, but ignore the form of integration of laborers and the means of production. As a result, some reform measures lay undue stress on operators' power, responsibility, and interest, but ignore the consolidation and development of the laborers' position as their own masters. For example, individuals contracting for and leasing enterprises treat managers as the main body in expanding the enterprise's decision-making power, and ignore the position and role of workers' congresses. All these methods might result in separation between laborers and the means of production under the new conditions.

Of course, to directly integrate laborers with the means of production in the initial stage of socialism we have to be restricted by other conditions. Some countries lay undue stress on direct integration of laborers and the means of production and the state no longer concentrates funds to be used in expanding reproduction, leading to the harmful consequence of poor macroeconomic control. The correct choice is that we should integrate the two in an organic way and treat this as the starting point for economic structural reform.

10. The study of counter measures lags far behind theoretical study, so that correct theoretical research achievements cannot be applied.

The study of economic structural reform actually involves three aspects: the study of theory, principles, and counter measures, which have mutually affected relations. On the other hand, achievements in the study of theory are the basis for the study of principles, and achievements in the study of principles are the basis for studying counter measures. Alternatively, achievements in studying theory and principles can be applied to the practice of reform through the middle link of studying counter measures.

Our problem is that we have not clearly studied many major theoretical problems and our study of counter measures is very backward. As a result, the existing theoretical research achievements cannot be applied to practice. For example, the study of theory has made it clear that China's economy in the present stage is planned commodity economy and economic operation must be regulated by combining the planning and market mechanisms. However, as to how to combine the planning and market mechanisms, we only talk about "mutual infiltration," "perfect harmony," and "plywood-type combination." In fact all these are still principles. If we only have principles, but do not have concrete counter measures, we cannot carry out these principles

in practical work. This is but one example and there are many similar problems. Due to our poor study of counter measures, correct theories are often distorted when put into practice.

Under the correct leadership of the CPC Central Committee, the giant ship of China's economic structural reform has already set a correct course. However if we want to advance forward, wave upon wave, to successfully achieve the target, we need to continuously study and design a correct navigation plan and improve our operational skills. This is the conclusion of my rethink.

#### **Bumper Grain Harvest Expected This Year**

HK200839 Beijing CHINA DAILY in English 20 Oct 87  
p 1

[By staff reporter Guo Zhongshi]

[Text] China is looking forward to another bumper harvest. Nearly 400 million tons of grain—the second highest amount in history—are expected to be reaped this year. And other major cash crops are likely to show record yields.

A spokesman for the State Statistics Bureau told a news conference in Beijing yesterday that this year's grain output may be 5 million tons more than last year. The biggest harvest on record was 405 million tons in 1984.

The spokesman said that cotton output will top 3.90 million tons, a rise of some 10 percent over last year.

The total output of oil-bearing crops is expected to increase by 1.70 million tons over last year to reach 16.50 million tons. The tobacco output will also grow, he said.

As part of the growing support for farming by local governments, outstanding loans to agriculture in the first nine months of this year increased by 47 percent over the same period last year to reach 50.2 billion yuan (about \$14 billion), he said.

Meanwhile, the spokesman said, farmers were spending about 54.7 billion yuan on production materials—one reason for the expected increase in the grain harvest.

Talking about the country's foreign trade, the spokesman said efforts to offset the trade deficit paid off in the first nine months of this year as China saw a favourable turn in the balance of its international payments.

Quoting statistics from China's Customs, the spokesman said the total export volume reached \$26.5 billion by the end of last September, an increase of 23.9 percent over the same period last year. The total import volume dropped by 3.8 percent to \$29.2 billion.



Comparing exports and imports, the country's foreign trade deficit fell to \$2.7 billion in the first nine months from the \$8.96 billion in the same period last year, he said.

After deducting the part of imports not requiring payment in a foreign currency, he said, China has already realized \$270 million worth of favourable trade in terms of foreign currency earnings and expenditure. As a result, foreign exchange reserves have risen, he said.

China's total industrial output value (not including industry below the village level) amounted to 751.9 billion yuan in the first nine months, an increase of 15.3 percent over the same period last year. The spokesman predicted that the total industrial output value for the year will rise by 13 percent over 1986.

However, the spokesman said, there are still some major problems, such as the supplies of pork and sugar, an increase in the total national retail price index and a drop of the actual income of some households.

**Magazine Says School Dropouts Posing Problem**  
*OW190752 Beijing XINHUA in English 0722 GMT*  
19 Oct 87

[Text] Beijing, October 19 (XINHUA)—Dropping out of school has become a serious problem in China when an increasing number of educated people are needed to build a modernized country, according to this week's "Beijing Review".

An investigation showed that about 685 or 3.14 percent of the students in 33 middle schools in the Hedong District of Tianjin dropped out in 1985. The dropout rate in Beijing, China's political and cultural center, is among the lowest in the country — about 1.2 percent in 1984 and 0.9 percent in 1985.

The dropout rate in urban areas is much lower than in the countryside.

Dropouts are chiefly students in their second and third years of junior middle schools. Some of them take temporary jobs. Some follow their parents into business or sideline production. Some even make trouble in society and go astray.

Since China passed its compulsory education law last year and all middle schools improved their educational methods, the dropout rate has declined, but the problem is still serious in some rural middle schools.

The reasons why students drop out are many-sided and complicated, said Li Tailun, director of the Shabaizhuang Middle School in Beijing, and Tian Guoyu, headmaster of the Beijing No 20 Middle School.

Because of China's single-track education system, most schools are inclined to concentrate on students who will go on to further education instead of developing students' special skills, said Tian, adding: "Since the final goal of students is to enter college or university, there is sharp competition for the limited number of college and university places, putting students under great psychological pressure, which adversely influences their studies. Those who lose confidence in themselves fall far behind."

Chinese schools and classes are divided into key ones and ordinary ones. The best students enter the key schools and the ordinary schools are left with the rest. Students in ordinary schools or backward classes feel looked down upon by their families and society. They lose their self-esteem and their desire for improvement, and may give themselves up as hopeless and fool around instead of doing their lessons. They start to cut classes and eventually drop out.

Both Li and Tian agreed that another important factor leading students to drop out is the idea that studying is useless and only money is important.

"A teacher earns only about 100 yuan a month, but I can get more than 100 yuan a day selling tomatoes," one student said.

Many parents, especially uneducated ones in the countryside, only consider their immediate interests. They allow their sons or daughters to drop out to earn money, Li said.

Some people even say that money should be worshipped instead of knowledge. "What is knowledge worth?" they ask. Li thought this was the result of China's long-time discrimination against knowledge and intellectuals.

"Since knowledge hasn't gained the respect it deserves, students are unclear in their goals and attitude towards their studies. And their parents have not realized that it is important for them to urge their children to study hard," Li said.

Also, because the situation of intellectuals remains somewhat difficult, those without knowledge do not feel ashamed of themselves or imbued with a desire to study.

Both schools and parents contribute to the dropout rate, Li and Tian noted. Some parents beat their children for bad marks instead of instructing them, leading students to run away from school and home.

"Only when society's attitude to knowledge changes, and people of knowledge and talent are respected not only in words but in deeds, will students want to obtain knowledge and pay more attention to their education," they said.

**East Region**

**Anhui's Li Guixian Attends Legal Lecture**

OW160454 Hefei ANHUI RIBAO in Chinese 8 Sep 87  
p 1

[Text] A lecture on knowledge of the law was held at the conference hall of the provincial party committee on the afternoon of 4 September. Chen Anming, professor at the Anhui University Law Department, spoke on political restructuring and administrative laws.

Leading cadres of the provincial party committee, the provincial advisory commission, the standing committee of the provincial people's congress, the provincial government, the provincial CPPCC committee, and the provincial discipline inspection commission attended the lecture.

Comrade Li Guixian, secretary of the provincial party committee, presided. At the conclusion of the lecture, he said: From now on, lectures like this should be given more often, and the audience should include departmental or bureau-level cadres. We should make it possible for leading cadres at various levels to enhance their knowledge of law through study, and act accordingly. In handling important matters, we should not make hasty decisions, but act according to law. Governors should engage legal advisers to see to it that all work is done according to law.

**Chen Guangyi At Fujian National Day Soiree**

OW161031 Fuzhou FUJIAN RIBAO in Chinese  
1 Oct 87 p 1

[Excerpt] People from all walks of life in Fujian and Fuzhou attended a soiree at the provincial stadium last night to mark the 38th founding anniversary of the PRC.

Present at the soiree were Chen Guangyi, Jia Qinglin, Gao Hu, Zhang Kehui, Yuan Qitong, Zhang Zongde, Hu HONG, Wen Fushan, Zhang Gexin, Huang Ming, Cheng Xu, Wen Xiushan, Wang Zhi, Hou Lingzhou, You Deqing, Chen Mingyi, Su Changpei, Chen Xizhong, Jiang Xuedao, Ni Songmao, Zhao Xiufu, Lu Haoran, Zuo Fengmei, Chen Yangzeng, Xu Jimei, Zhang Xiangyang, Cong Lizhi, Shi YONGGENG, and Jin Gong; veteran comrades Wu Hongxiang, Huang Yaguang, He Ruoren, Lu Tao, Zhang Zhaohan, Gao Panjiu, Xu Yuqing, and Lu Weite; leading comrades of various democratic parties and mass organizations; noted personages from all circles in Fujian and Fuzhou; representatives of model workers; Red Army soldiers; retirees; representatives of countrymen from Hong Kong, Macao, and Taiwan and people of minority nationalities; leading comrades of provincial organs and party, government, and military organizations in Fuzhou; and mass representatives, totaling more than 6,000 people. [passage omitted]

**Jiangxi Military Commander on Drafting**

OW151335 Nanchang Jiangxi Provincial Service  
in Mandarin 1100 GMT 11 Oct 87

[Speech by Wang Baotian, member of the Standing Committee of the Jiangxi Provincial CPC Committee and commander of the Jiangxi Military District, entitled "Make Drafting a Success To Enhance National Defense"—recorded; date not specified]

[Excerpts] Comrades, this year's drafting has started. [passage omitted] Based on experience, we should focus on ensuring recruits' quality. [passage omitted] The quality of soldiers will inevitably affect military building. To comply with the policy of reduction in strength and to facilitate military modernization, the military has put a higher demand on recruits' quality. [passage omitted]

Jiangxi is where the PLA originated and is also an old revolutionary base. During the Red Army period, the government and people of the revolutionary base sent their best youths to valiantly fight along with the Red Army. This glorious tradition has been kept up so far. For years our province has done a good job in drafting. This year we should do even better by setting a new drafting record to usher in the 13th CPC National Congress.

**Shandong Official Stresses Macroeconomics**

SK200702 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 19 Oct 87

[Text] At the provincial meeting on making plans and arrangements held on 19 October, Jiang Chunyun, deputy secretary of the provincial party committee and acting provincial governor, stressed that the province's planning work in 1988 should be focused on macroeconomic planning and coordination for several major events that have policymaking significance to the economic take-off. In this regard, we should first pay attention to deepening reform and opening up to the outside world. Second, we should pay attention to increasing production and practicing economy and increasing revenues and reducing expenditures. Third, we should pay attention to carrying out technological transformation. Fourth, we should strive to reduce the construction of ordinary projects and the scale of investment in capital construction, and ensure the construction of key projects.

There are quite a few favorable and unfavorable factors for Shandong's economic development. How should we exploit our favorable conditions and overcome our weakness with the aim toward making our economy develop more rapidly and join the front rank of the country? To attain this goal, we should pay attention to the following four tasks, as stressed by Jiang Chunyun.

1. We should vigorously develop rural industry. At present, the output value scored by the province's rural industrial enterprises accounts for about 1/3 of total provincial industrial output value; and the newly added output value of rural industrial enterprises accounts for 1/2 of the total newly added output value in industry. Whether or not we can maintain the good trend in developing rural industry is of decisive significance to provincial economic development.

2. We should achieve success in technological transformation of existing industrial enterprises at or above the county level. Enterprises at or above the county level constitute the main body of the province's industrial enterprises, and more than 1/2 of the province's industrial output value and more than 70 percent of the province's profits and tax revenues have been created by enterprises at or above the county level. However, many of such enterprises are equipped with obsolete installations and apply backward technologies, and their products are low level and lack competitiveness. Striving to accelerate the technological transformation of such enterprises, improve the level and grade of their products, and tap their tremendous potential is of strategic significance to Shandong's economic take-off.

3. We should ensure the construction of key projects. During the Seventh 5-Year Plan period, the state arranged the construction of relatively more large and medium-sized projects in Shandong Province, most of which are related to energy, transport, raw materials, and other basic industries. This is the most important task for gaining more momentum for Shandong's economy.

4. We should accelerate development of the export-oriented economy. Shandong's geological position and environmental condition provide broad prospects for the development of foreign trade and external economy. Developing an export-oriented economy will bring along development of the provincial economy.

Jiang Chunyun called on planning departments to adapt themselves to the need of the commodity economic development and change their functions. These departments were demanded to not only administer well the economic activities of state-owned enterprises, but also to manage well the economic activities of collectively owned and private enterprises; and not only administer well mandatory planning, but also manage well guidance planning and organize market regulation.

**Shanghai Leaders Denounce Bureaucratism**  
OW160815 Shanghai City Service in Mandarin  
2300 GMT 12 Oct 87

[Excerpts] According to *Jiefang Ribao* and *Wen Hui Bao*, the Shanghai Municipal CPC Committee and municipal people's government yesterday called on cadres at various levels to wage a persistent struggle against serious bureaucratism. [passage omitted]

Mayor Jiang Zemin pointed out at a meeting of responsible cadres in Shanghai yesterday: Bureaucratism is far from being eliminated in our party and government organizations and in leading bodies of enterprises and institutions. We must not relax our will to fight but persistently carry on the struggle against serious bureaucratism.

The meeting was jointly sponsored by the municipal party committee and municipal government. [passage omitted]

Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, chaired the meeting. Confirming the achievements made in the struggle against serious bureaucratism, he stressed: Opposing bureaucratism is a long-term task, which party organizations at all levels must conscientiously and continuously carry out. [passage omitted]

To effectively carry on the struggle against serious bureaucratism, Jiang Zemin called for doing the following five tasks well:

1. All departments and units should conscientiously review and sum up the struggle over the past 4 months;
2. Efforts should be concentrated on investigating and handling cases of serious irresponsibility, dereliction of duty, and other acts of bureaucratism as well as serious accidents;
3. Accident-prevention measures and the personal responsibility system should be continuously implemented from the municipal government level down;
4. The style of leadership should be improved by strengthening face-to-face leadership in order to ensure good office work; and
5. Further efforts should be made to strengthen the party's ideological and political work and the education of cadres in order to create an atmosphere in which cadres regard it an honor to serve the people wholeheartedly and work with high efficiency, and consider it a shame to practice bureaucratism. [passage omitted]

### Central-South Region

**Hainan Port Construction 'Speeding Up'**  
OW160114 Beijing XINHUA in English 1145 GMT  
15 Oct 87

Haikou, 15 Oct (XINHUA)—Hainan Island has been speeding up its port construction since plans were announced to make the island a new province and China's largest special economic zone. Work on the Yangpu Port, the largest in the region, is well under way. The port has 2 deep-water berths, each capable of accommodating two 20,000 dwt vessels simultaneously, and a wharf capable of accommodating 3,000 dwt ships.



It will handle one million tons of goods a year after its completion. Expansion and revamping of three other major ports—Haikou, Basuo, and Sanya—are also in full swing. The Port of Haikou, capital of the region, has built two 5,000-dwt berths, one 3,000-dwt berth and a 10,000 sq m freight yard. Its annual handling capacity has been increased from 1.15 million tons in 1983 to more than 1.7 million tons. The port also opened the country's first rolling-loading line and regular passenger lines to neighboring Guangzhou and Hong Kong. The Basuo Port, near a rich iron mine well-known in Asia, has added 80,000 tons of handling capacity by expanding its original 2 berths. To date, the island's total annual port handling capacity has been increased from 1983's 5 million tons to last year's 6.5 million tons.

### Southwest Region

**Acid Rain Damages Southwest Forests**  
OW190916 Beijing XINHUA in English 0656 GMT  
19 Oct 87

[Text] Beijing, October 19 (XINHUA)—Acid rain has caused extensive damage to forests in southwest China, especially in Sichuan Province, according to the "*Beijing Review*" published here today.

Now 90 percent of trees in the Maocaoba Pine Forest in Sichuan's Fengjie County, which used to cover 6,000-hectares of mountain slopes, have died. On Nanshan Hill in Chongqing, the biggest city in southwest China, a 1,800-hectare forest of dense masson pine has been reduced almost by half.

According to Chen Zhiyuan, an engineer working for the China National Environmental Protection Agency, the acid composition of rain in Chongqing and Guiyang, the capital of Guizhou Province, is sometimes as high as in some European countries and the northeastern United States. Other acid rain-affected areas include the Guangxi Zhuang Autonomous Region, Zhejiang and Hunan Provinces and Shanghai.

Acid rain is generally thought to be closely related to industrialization. In China, it is also related to poor-quality fuel, topography and weather, Chen said, adding that acid rain is easily formed in basin and valley areas where there is little wind. This kind of topography is typical of Sichuan.

"Chinese acid rain areas are less windy, so rain is rarely 'exported' to other regions," he said.

To control acid rain, China's National People's Congress passed the country's first anti-air pollution law September 5. China has also developed desulphurization equipment.

**Xizang Streamlines Official Departments**  
OW191438 Beijing XINHUA in English 1430 GMT  
19 Oct 87

[Text] Beijing, October 19 (XINHUA)—Tibet Autonomous Region has trimmed its party and government departments at the county level and above, the overseas edition of the "*People's Daily*" reported today.

The number of party and government functionaries has been cut by 16 percent—meaning that their numbers are 2,980 less than in the past.

There are 35 regional departments, 21 less than in the past, and the number of prefectural (city) departments dropped from 240 to 165, and those at the county level, from 1,661 to 1,275.

In 1985, party and government functionaries accounted for 11.7 percent of the population in Tibet, compared with 3.6 percent for the whole country, the paper noted.

The region yielded 2.2 billion yuan in gross social product that year, even less than a township in a developed province.

As early as 1980 the central government was urging Tibet to streamline administration and use the state funds to boost production.

### North Region

**Arbitration for Labor Disputes in Beijing**  
OW170826 Beijing XINHUA in English 0630 GMT  
17 Oct 87

[Text] Beijing, October 17 (XINHUA)—Special arbitration committees have been set up in Beijing to deal with labor disputes involving local workers, a report in today's *Workers Daily* says.

Each of the city's 18 districts and counties has now set up a committee and up to the end of September they had accepted 34 cases.

Disputes have increased since reforms of the employment system have permitted more contracts and dismissals.

The 34 cases include factory directors or enterprise managers abusing their power, encroaching on workers' rights, and punishing workers improperly.

Other cases involve workers who have violated labor discipline and refused to accept punishment.

The arbitration committees have settled 11 cases through mediation. The rest will go to court and be settled by legally binding arbitration.



**Hebei Personnel Dismissed From Offices**  
*SK160902 Shijiazhuang HEBEI RIBAO in Chinese*  
4 Oct 87 p 3

[Text] The Hebei Provincial People's Government made decisions on 8 and 18 September to dismiss Wang Guiqiu [3769 2710 4428] from his post as adviser to the provincial Petrochemical Industry Department, Liu Gang [0491 0474] from his post as adviser to the provincial Public Security Bureau, and Yin Ziyu [3009 1311 5940] from his post as vice chairman of the provincial Family Planning Committee.

**Hebei CPPCC Committee Meeting Ends 28 Sep**  
*SK161112 Shijiazhuang HEBEI RIBAO in Chinese*  
29 Sep 87 p 1

[Text] The 3-day 17th Standing Committee meeting of the 5th provincial CPPCC Committee concluded at the auditorium of the provincial government's reception center on the afternoon of 28 September. Present at the meeting were Yin Zhe, chairman of the provincial CPPCC Committee; Xu Chunxing, Zhang Ruolin, Bai Tieshi, Chen Lintang, Ma Zhuozhou, Wang Enduo, Ma Xinyun, Liu Zongyao, and Du Jingyi, vice chairmen of the provincial CPPCC Committee; and Wang Shusen, secretary general of the provincial CPPCC Committee. Participating in the meeting as observers were responsible comrades of the CPPCC committees of various cities under the direct jurisdiction of the provincial authorities and responsible comrades of the united front work departments of various prefectural and city party committees.

The participants listened to the report by Zhang Yulin, director of the provincial Agricultural Department, on the province's agricultural development this year and tentative ideas on future work; the report by Zhang Yaозuo, director of the provincial Prices Bureau, on the province's pricing situation and future plans; and the report by Cui Xifu, deputy director of the provincial Economic Coordination Office, on the province's lateral economic associations. These reports were warmly discussed by the participants because they have a bearing on major matters concerning the provincial economic and social development as well as the people's livelihood. The meeting's participants suggested: To control random price hikes, we should pay attention to conducting ideological education and adopting necessary organizational measures. We should first straighten out the operational ideology of state-owned enterprises, then strengthen market control and open up new sources of goods in an effort to truly and effectively control the trend of price hikes. With regard to the lateral economic associations, we should further emancipate our mind, pay attention to strengthening the cooperations with Beijing and Tianjin Municipalities, and, in particular, attach importance to importing talent. This is the only way for us to narrow the gap between our province and

other fraternal provinces and municipalities. Responsible comrades of the provincial Prices Bureau, the provincial Agricultural Department, and the provincial Economic Coordination Office attended the meeting to hear the CPPCC members' opinions. These responsible comrades pledged to improve their work in line with the reasonable opinions and suggestions offered by CPPCC members.

The meetings participants also listened to Comrade Xu Chunxing's report on the visit of the Hebei Province's comfort group to the battle front in Yunnan. After hearing the report, participants further understood the lofty and great "Laoshan spirit" and received a vivid and profound education on patriotism. At the meeting, Comrade Du Jingyi made a report on the situation of the north China regional forum on lateral cooperation for CPPCC work and briefed the participants on the experiences of various fraternal provinces, municipalities, and autonomous regions in conducting CPPCC work. The meeting's participants conscientiously studied and discussed the summary of the forum and the speech by Zhou Shaozheng, secretary general of the National CPPCC Committee. They were once again inspired by the speech.

Comrade Yin Zhe delivered a speech before the meeting ended. He pointed out: To further improve political consultation and democratic supervision, we should first conscientiously comprehend the principles and policies of the party Central Committee and comprehensively and accurately understand and implement the political intentions of the central authorities. This is the precondition for achieving success in consultation and supervision, as well as an important purpose of consultation. Next, we should conduct realistic study and investigation. We must obtain an overall and accurate understanding of every issue under consultation through conducting an in-depth study and investigation. After the investigation and inspection on an important item, we should submit an investigation report which involves reliable basis, analysis, and feasible measures. This is the foundation for achieving success in consultation.

In conclusion, Comrade Yin Zhe called on participants to conscientiously study the documents of the forthcoming 13th National Party Congress, make appropriate preparations for the provincial experience exchange meeting on mobilizing the people of all circles in the province to serve the building of the two civilizations, attend to the relevant matters on the election of a new committee of the provincial CPPCC Committee next year, and pay attention to matters concerning the reception of our Taiwan compatriots who come back to the mainland to visit their relatives.

**Hebei's Xing on Responsibility Systems**  
*SK160746 Shijiazhuang HEBEI RIBAO in Chinese*  
16 Sep 87 p 1

[Excerpts] In implementing the three regulations and enforcing the plant director responsibility system in an overall way, efforts should be made to uphold the

principle of unifying thinking and being determined to enforce the system, to continuously engage in practice and sum up the experience, and to gradually improve the system in order to create a standard. In 1987 all large and medium-sized state-run industrial enterprises should enforce the plant director responsibility system and the system under which the plant director holds responsibility for the attainment of certain objectives during his or her tenure and under which the performance of enterprises subjects to supervision through auditing at the expiration of the director's term. In 1988 all state-run industrial enterprises must begin the work of enforcing these systems and the rate of these industrial enterprises that have enforced the system under which the plant director holds responsibility for the attainment of certain objectives during his or her tenure will reach 85 percent. All of these arrangements were made by the provincial meeting on exchanging the experience gained in implementing the three regulations and enforcing the plant director responsibility system in an overall way, which ended on 15 September.

Attending the meeting were leading comrades from the provincial party committee and the provincial People's Government, including Xing Chongzhi, Xie Feng, Ye Liansong, and Song Shuhua. At the closing ceremony of the meeting, Xing Chongzhi delivered a speech and Song Shuhua delivered a summary report.

During the 3-day meeting, the spirit of the national meeting on implementing the three regulations and enforcing the plant director responsibility system in an overall way was relayed and the participating comrades also held discussions on the issue of how to further implement the two circulars and the three regulations issued by the CPC Central Committee and the State Council; emphatically studied the problems cropping up in implementing the three regulations, which should be dealt with immediately; and made arrangements for future work. Comrades from Shijiazhuang City and 16 enterprises delivered reports or presented their written reports to exchange their experiences. [passage omitted] To accelerate the pace of enforcing the plant director responsibility system, the meeting put forward the following demands for promoting the upcoming work:

1. Efforts should be made to improve the institutions in charge of this work and to strengthen leadership over the work. [passage omitted]

2. Efforts should be made to earnestly organize studying classes on this work in order to unify thinking and upgrade understanding. [passage omitted]

3. Efforts should be made to regard the work of enforcing the plant director responsibility system in an overall way as an important component part in deepening the drive to conduct reforms among enterprises, to draw up unified plans, and to make overall arrangements. [passage omitted]

4. Efforts should be made to clearly define the duty and jurisdiction of plant directors, the plant party committees, the plant trade unions, and the plant worker's congresses; to further improve various leading systems; and to systematically straighten out the relationship among the state, collectives, and individuals. [passage omitted]

5. A good job should be done in continuously readjusting and building the leading bodies of enterprises. [passage omitted]

6. Among the enterprises that have enforced the plant director responsibility system, efforts should be made to bring into full play the guarantee and supervision role of party organizations and the democratic and managerial role of staff members and workers.

7. A good job should be done in conducting reforms in the leading systems of enterprises' responsible institutions. [passage omitted] During his speech Comrade Xing Chongzhi emphatically forward the following several opinions: 1) Party committees at all levels should unswervingly enforce the plant director responsibility system resolutely, without any restlessness of mind, and without adopting a wait-and-see attitude. Our current task is to study the issue of how to successfully enforce the system, not whether we should engage in enforcing this system. 2) Efforts should be made to clearly define the duties of plant directors. The enforcement of the plant director responsibility system is aimed at having directors hold comprehensive responsibility for the plant and take charge of the campaign of building the two civilizations. Industrial enterprises under the socialist system first should turn out fine-quality products and train competent personnel. 3) Efforts should be made to deal with the issue of how to understand the party's leading role, which comprises leadership in ideology and politics and leadership in implementing its line, principle, and policies. Party leadership means that a good job should be done in operating enterprises according to the line of the 3d Plenary Session of the 11th CPC Central Committee; that efforts should be made to uphold the principle of conducting reforms, opening to the outside world, and invigorating the economy; that a good job should be done in building the two civilizations; and that efforts should be made to uphold the correct socialist direction and to refrain from harming the public ownership. The muddled idea of some persons who contended that "the secretary of the party committee is the party's leadership and the enforcement of the plant director responsibility system would weaken the party's leadership" must be clarified. 4) Efforts should be made to clearly define the duties of party committees after the enforcement of the plant director responsibility system. The work of the plant party committees is to guarantee and supervise production and management, to do a good job in carrying out party self-improvement, and to educate party-member cadres to take the lead in implementing the line of the 3d Plenary Session of the 11th CPC Central Committee in order to ensure that plants



and factories become socialist enterprises. In addition, work such as the construction of ideology, organization, and work style; and the activities of appraisal, supervision, criticism, education, and discipline inspection also deserves to be taken up by plant party committees. 5) Efforts should be made to maintain the working class's position as masters of the country after the enforcement of the plant director responsibility system. Workers are masters of their plants. We should educate the broad masses of staff members and workers to bind their fate with the future of their plants. Plant directors should bring into full play the master role of the working class and the role of worker's congress, make policy decisions on the basis of democracy, and continuously enhance their democratic sense.

**Hebei's Xing Chongzhi at Commodity Exhibit**  
*SK160850 Shijiazhuang HEBEI RIBAO in Chinese*  
30 Sep 87 p 1

[Excerpt] The 3-day Shijiazhuang City trade fair of commodities made by civilized units has drawn great attention from provincial leading comrades. On the morning of 29 September, Xing Chongzhi, Xie Feng, Li Wenshan, Liu Ronghui, and Wang Zuwu eagerly came to the provincial museum's plaza to look at the city's trade fair and to extend cordial regards to the commercial staff members and workers. [passage omitted]

**Xing Chongzhi Attends Museum Inauguration**  
*SK160854 Shijiazhuang HEBEI RIBAO in Chinese*  
30 Sep 87 p 1

[Excerpts] On the morning of 29 September, a large banner hung across the grand building of the provincial museum and colored flags fluttered in the wind. The fountain in front of the building spurted water into the air. All this created a joyful atmosphere for the opening ceremony of the newly built provincial museum.

Attending the opening ceremony were leading comrades from the provincial organs, including Xing Chongzhi, Xie Feng, Li Wenshan, Liu Ronghui, Wang Dongning, Zhang Zhenchuan, Liu Ying, Wang Yu, Wang Zuwu, and Xu Chunxing; responsible comrades from PLA units stationed in Shijiazhuang City and from PLA institutes and schools, including Tang Fei and Guo Weisen; and students, workers, cadres, and PLA commanders and fighters—more than 800 persons.

Also attending the opening ceremony were responsible comrades from the Museum of Chinese Revolution, the Museum of Chinese History, the Palace Museum, the Institute of Vertebrate Palaeontology and Palaeoanthropology, and the museums of fraternal provinces, such as Zhejiang, Shandong, and Henan; museum specialist; and responsible persons from cultural bureaus and museums at the prefectural and city levels. [passage omitted]

Amid the deafening noise of firecrackers, Comrade Xing Chongzhi and Xie Feng cut the ceremonial ribbon. [passage omitted]

**Hebei's Xing Chongzhi at National Day Party**  
*SK160858 Shijiazhuang HEBEI RIBAO in Chinese*  
1 Oct 87 p 1

[Excerpts] At 2000 on 30 September, more than 2,000 people from various social circles throughout Shijiazhuang City happily got together in the new auditorium of the Shijiazhuang City Worker's Palace to warmly mark the 38th anniversary of the PRC's founding.

Attending the soiree were Yang Chengwu, vice chairman of the National CPPCC Committee, and Li Peizhi, former vice president of the China People's University, who were making an inspection tour in the province; and leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial People's Government, the provincial CPPCC Committee, the provincial Discipline Inspection Commission, and PLA units stationed in Shijiazhuang City, including Xing Chongzhi, Xie Feng, Yue Qifeng, Lu Chuanzan, Yang Zejiang, Yin Zhe, Song Shuanglai, and Dong Xuelin.

Also attending the soiree were leading comrades from the Shijiazhuang prefectural and city party and government organs and representatives of the provincial and city mass organizations and democratic parties, of returned Overseas Chinese and compatriots from Hong Kong and Macao, of family members of revolutionary martyrs and combat heroes, of disabled and retired servicemen, of retired old Red Armymen and veteran cadres, of labor models from various fronts, and of the masses of various social circles.

During the soiree, Wang Baohua, mayor of Shijiazhuang City, delivered a speech. [passage omitted]

Literary and art workers presented programs during the soiree.

**Hebei's Xing Attends Library Inauguration**  
*SK160912 Shijiazhuang HEBEI RIBAO in Chinese*  
4 Oct 87 p 1

[Excerpts] The provincial library, located on Dongda Street in the Changan District of Shijiazhuang City, the capital of the province, was formally opened on the morning of 3 October. [passage omitted]

At 0900 that day, leading comrades of the provincial organs, including Xing Chongzhi, Xie Feng, Li Wenshan, Yue Qifeng, Lu Chuanzan, Yang Zejiang, Yin Zhe, Ye Liansong, Liu Ronghui, Wang Dongning, Guo Zhi, Zhang Zhenchuan, Liu Ying, Han Qiming, Wang Zuwu, Xu Chunxing, Du Jingyi, and Liu Bingyan, came to the provincial library to attend the inaugural ceremony.



Sun Yinguang, curator of the provincial library, delivered a speech at the ceremony, after which, Bao Zhenxi, deputy director of the library administrative bureau under the Ministry of Culture, delivered a congratulatory speech. [passage omitted]

An upsurge of joyful atmosphere at the ceremony site was heightened when Xing Chongzhi and Xie Feng cut the inaugural ribbon.

Attending the inaugural ceremony were responsible comrades and specialists from the library administrative bureau and the department of planning and finance under the Ministry of Culture; from the Capital Library, the Tianjin Municipal Library, and the Shanghai Municipal Library; from the libraries of provinces and autonomous regions, including Guangdong, Hunan, Henan, Shandong, Jilin, Yunnan, Heilongjiang, Shaanxi, Fujian, Shanxi, Nti Monggol, Qinghai, and Sichuan; from the libraries of cities, including Wuhan, Harbin, Nanjing, Shenzhen, Qingdao, and Chongqing; and from the libraries of 20 prefectures, cities, and counties throughout the province; as well as the representatives of various social circles—more than 800 persons in all. [passage omitted]

**Hebei's Xing Chongzhi Marks Mid-Autumn**  
*SK201208 Shijiazhuang HEBEI RIBAO in Chinese*  
8 Oct 87 p 1

[Excerpts] The hall of the Taihang Hotel was permeated with an atmosphere of unity and great joy on the afternoon of 7 October. A Mid-Autumn Festival tea party for personages of all circles in the provincial capital, cosponsored by the provincial CPPCC committee and the united front work department of the provincial party committee, was held here.

Together with personages of all circles to celebrate the festival were leading comrades of the provincial party committee, the provincial advisory commission, the Standing Committee of the provincial People's Congress, the provincial government, and the provincial CPPCC committee, including Xing Chongzhi, Xie Feng, Li Wenshan, Yue Qifeng, Yang Zejiang, Sun Guozhi, Yin Zhe, Ye Liansong, Zhang Kerang, Wang Youhui, Xu Chunxing, Chen Lintang, Ma Zhuozhou, Wang Enduo, Ma Xinyun, and Du Jingyi. [passage omitted]

Wang Shusen, director of the united front work department of the provincial party committee and concurrently secretary general of the provincial CPPCC committee, presided over the tea party. Yue Qifeng and Xu Chunxing made speeches at the party. [passage omitted]

**Li Ruihuan Speaks at Highway Opening**  
*SK200002 Tianjin TIANJIN RIBAO in Chinese*  
2 Oct 87 pp 1, 2

[Speech by Li Ruihuan, secretary of the Tianjin Municipal Party Committee and mayor of the municipality, delivered at a 1 October Tianjin ceremony to mark the opening of the outer ring highway]

[Excerpts] Comrades:

In the happy days when the entire country is celebrating the 38th founding anniversary of the country, the outer ring highway, an embodiment of the blood and sweat of the soldiers and civilians throughout the municipality, has been successfully completed and is now open to traffic! [passage omitted]

Today, Comrade Wang Zhen, vice chairman of the Central Advisory Commission, and Comrade Qin Jiwei, alternate member of the Political Bureau of CPC Central Committee and commander of the Beijing Military Region, have personally cut the ribbon for the opening of the highway, and leading comrades of the State Council have also made a special trip here to attend the ceremony. This shows their great concern and support for Tianjin's work. Let us extend to them our warm welcome and heartfelt gratitude.

Comrades, the 6-lane outer ring highway, running through four suburban districts of our municipality, is 71 km long and 50 meters wide, and includes 10 large overpasses and river bridges, and more than 150 small and medium-sized bridges, culverts, pump stations, and sluice gates. It was once regarded as a "beautiful illusion difficult to realize." However, relying on their political awareness, efforts and wisdom, the soldiers and civilians of Tianjin have turned the illusion into a reality at an unexpected rapid pace. [passage omitted]

Comrade Xiaoping pointed out during an inspection tour of Tianjin last year: "In carrying out the modernization drive, we should begin with transportation and telecommunications." Construction of the outer ring highway was precisely the embodiment of this important directive. It will certainly create a significant and far-reaching influence on accelerating our municipality's modernization drive, and facilitating the deepening of reform and opening up. [passage omitted]

Throughout the municipality, 250,000 people participated in voluntary labor. They worked day and night without regard for payment. Comrade Xiaoping once highly praised this high political enthusiasm and the noble mental character displayed by the people of Tianjin. He said that this was politics, and was our superiority. This is indeed our superiority, which we should always carry forward. The people will never forget that our liberation army bravely stood ahead of others to shoulder the most arduous tasks, thus making new contributions again to Tianjin's urban construction. [passage omitted]

At present an encouraging situation in which the people feel satisfied and are making progress bravely has emerged everywhere. We should earnestly summarize the experiences in the construction of the outer ring highway, greatly develop the spirit as displayed in the construction, work continuously, follow up the situation

with advancement, scale new heights in building the two civilizations, write a new chapter, and usher in the successful convocation of the 13th Party Congress with outstanding achievements.

### Northeast Region

#### Heilongjiang Directors' Meeting Held SK200637 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 18 Oct 87

[Text] On the eve of the opening of the 13th National Party Congress, the Propaganda Department of the Heilongjiang Provincial CPC Committee held a meeting of directors of propaganda departments under various city and prefectural party committees to enhance their understanding and to make good preparations for extensively and penetratingly propagating the guidelines of the 13th National Party Congress.

Zhou Wenhua, deputy secretary of the provincial party committee, attended and addressed the meeting. Qi Guiyuan, director of the Propaganda Department of the provincial party committee, relayed the guidelines of the national meeting of propaganda department directors and Comrade Hu Qili's speech, and made arrangements for the province's propaganda work.

In his speech, Comrade Zhou Wenhua said: Successfully studying and propagating the guidelines and documents of the 13th national Party Congress, unifying the ideas of all party members and people with the fundamental theory of the party for the initial socialist stage, and mobilizing the people to work hard for fulfilling the various tasks to be set forth by the 13th National Party Congress are the central task of the propaganda work at present and in the near future. It is necessary to strengthen the leadership over the studying of the documents of the 13th Party Congress. Principal responsible comrades of party committees of various prefectures, cities, and countries should personally attend to this work, and formulate their plans for studying and propagating the documents of the 13th party congress in line with the local conditions.

In making arrangements for the province's propaganda work, Comrade Qi Guiyuan set forth the following four demands;

1. We should be meticulous in organizing the study of the documents of the 13th party congress, and grasp the essence of the documents on the basis of comprehensively understanding the guidelines of the documents. In conducting the study, we should set forth different demands on cadres, party-member workers, party-member peasants, youths, and students in light of the respective realities of their work and ideology.

2. We should adopt various vivid forms to successfully propagate the documents of the 13th National Party Congress. All press, publishing, broadcasting and television departments should draw up their systematic and effective plans to create a strong public opinion on accelerating and deepening reforms.

3. We should vigorously conduct the theoretical study of the guidelines of the 13th party congress and the various major policies.

4. We should summarize our experiences, enhance our spirit, and strive to achieve success in the reform of the propaganda work and the propaganda departments. In the first half of next year, propaganda departments in various localities should conduct a mass discussion entitled "Propagating Reform, Reforming Propaganda Work, and Striving to Contribute to Reform" in line with the guidelines of the 13th party congress and with their local conditions. These departments should conduct study and exploration focusing on their duties, organizational establishment, building of their ranks, and work methods in order to set forth preliminary ideas for their reforms.

The provincial meeting of directors of propaganda departments of various city and prefectural party committees concluded on 18 October after a 2-day session.

#### Jilin's Gao Attends Signing Ceremony SK200423 Changchun JILIN RIBAO in Chinese 29 Sep 87 p 1

[Excerpts] This afternoon the Jilin Chemical Industrial Company and 13 petrochemical enterprises under the Jilin City People's Government held a joint agreement signing ceremony to mark the establishment of a petrochemical enterprise group—the Jiangcheng Industrial General Plant of the Jilin Chemical Industrial Company. Comrade Gao Di highly appraised this plant and said: "Placing 13 enterprises under the management of the Jilin Chemical Industrial Company is a thorough opening up in Jilin City as well as a pioneering work in deepening urban reform." [passage omitted]

Gao Di, secretary of the provincial party committee; Huo Mingguang, vice chairman of the provincial People's Congress; Vice Governor Liu Shulin; Fang Jianyu, secretary of the Jilin City Party Committee; Mayor Wu Guangcai; and responsible leaders of the relevant provincial and Jilin City departments, and of the Jilin Chemical Industrial Company, attended the signing ceremony. Also present were responsible comrades of units under the Jilin Chemical Industrial Company and 13 petrochemical enterprises of Jilin City. We Guangcai, mayor of Jilin City, and Huo Ronghua, manager of the Jilin Chemical Industrial Company, signed the joint agreements.



Comrade Gao Di attended the ceremony to extend warm congratulations on the establishment of the Jiangcheng Chemical Industrial General Plant of the Jilin Chemical Industrial Company. He said: Jilin Chemical Industrial Company is a cradle of the chemical industry of New China. Over the past 30 years or so, Jilin Chemical Industrial Company has not only contributed greatly to the development of the chemical industry in our country but has also trained a great number of personnel and accumulated rich experience in enterprise management. [passage omitted]

**Jilin's Gao Di on Agricultural Development**  
*SK170750 Changchun JILIN RIBAO in Chinese*  
25 Sep 87 p 2

[Article by Gao Di, secretary of the Jilin Provincial CPC Committee: "Guiding Ideology Must Be Fundamentally Improved"]

[Text] It is essential that *Jilin Ribao* has launched discussion on "strengthening agricultural reserve strength and enlivening the commodity economy." It is impossible to do a good job in handling current affairs if we do not have a long-term plan.

Enhancing agricultural reserve strength is a question of how to ensure the sustained, steady, and coordinated development of the province's agriculture.

I think that the most important factor for ensuring the sustained, steady, and coordinated development of the province's agriculture is to fundamentally improve the guiding ideology of agricultural development; that is, we should shift our emphasis on agricultural development from grasping grain production to grasping the development of a diversified economy. A diversified economy includes the management of agriculture, forestry, animal husbandry, sideline occupation, fishery, industry, commerce, the building industry, transportation, and the service trade, as well as the development of primary, secondary, and tertiary industries.

Our province is a major commodity grain production area in China. We must first grasp grain production, because "there will be no economic stability without a well-developed agriculture, and grain shortage will lead to social disorder." Grain is a major source of income for the majority of peasants in our province. Therefore, if we fail to grasp grain production, we will not be able to suit the country's increasing demand for grain or will be divorced from the broad masses of peasants. It is difficult to achieve the production in other fields if we fail to develop grain production, because grain is the foundation of agriculture. It is particularly important that a steady increase in grain production be ensured for our province, where grain production has played a dominant role in agricultural development for a long time.

The problem lies in how to ensure the steady increase in grain production. After carrying out the household contracted responsibility system with payment linked to output, the province has principally relied on science and technology to promote the increase in grain production. Applying the plastic-film-covering technique is of particular significance for our province—where the temperature is low and the frost-free period is quite short—to promote early sowing and early maturing. Thus, the province has ensured the steady and high-yield production of grain and other crops by eliminating the principal contradiction between high-yield crops' long growth period and the short frost-free period. We can gain results in many fields by applying the plastic-film-covering technique just because applying it can combat both drought and waterlogging, promote rational application of fertilizer and farm chemicals, improve crop variety, and save farm machinery. We may say that applying this technique is a technological revolution on the agricultural front and is strategically significant in promoting agricultural development.

We must make more investment in order to apply the plastic-film-covering technique. The more investment we make in popularizing it, the more production we will register and the better economic results we will gain. However, investment must go ahead of production. Where can we get the funds for popularizing this technique? It is difficult to satisfy the targets for agricultural credits. Relying on loans to grow crops is not a long-term program for agricultural development. We must now pay attention to solving the big problem in which the more grain we produce, the more loans and debts we have. If we use the limited loans to develop grain production only, we will have no money to develop the diversified economy. It is impossible or of no benefit to overall agricultural development to rely on loans to increase grain production. The basic way to develop agricultural production is to rely on agricultural self-accumulation.

How does a peasant household accumulate funds? The funds accumulated solely through grain growing are very limited, and little money is earned from the cultivation of 1 or 2 hectares of farmland. A major way to accumulate funds is to develop diversified undertakings and increase the input in agriculture. This means "developing diversified undertakings to support agricultural production" and "developing sideline occupation to support grain growing." The so-called "sideline occupation" is not a realistic term. From now on, many localities and peasant households should regard the so-called "sideline occupation" as their major occupation.

Because our province is rich in natural resources, there are many opportunities for developing diversified undertakings. For instance, in mountain areas, there are more benefits from planting ginseng and fruit trees than there are from growing grain. "There can be no prosperity without engaging in industry." With a success in industry, the benefits can be still more handsome. Undoubtedly, it will not do to grow no grain, because there will be



nothing to eat if grain is not grown. However, it should also be noted that it will not do only to grow grain. By merely growing grain, peasants cannot become prosperous and grain production cannot be promoted, because peasants have no money to increase the input in agriculture. The provincial party committee and government have defined that the province's principle for agricultural development is to positively develop diversified undertakings and comprehensively promote the prosperity of the market economy on the basis of ensuring a stable increase in grain production. The people think that this principle is in conformity with the reality of our province.

In the past, all levels of leaders focused their work on grain production. This cannot be considered wrong. In the future, we should still firmly grasp grain production without any slackness. Our province has grasped grain production for many years, and most of our cadres at the county and township levels are able to easily grasp grain production because they have had previous experience. Of course, in grasping grain production, new methods and skills are also needed. We should not always engage in forced sowing and forced ripening each year without any changes. Comparatively speaking, most of our cadres do not know how to develop diversified undertakings, how to operate industry, and how to do business. They do not even understand the sense of a commodity economy. Under such a situation, we should focus the cadres' attention and work on engaging in the commodity economy and diversified undertakings.

What should we grasp in developing diversified undertakings? We should suit measures to local conditions and respective seasons. By suiting measures to local conditions we mean that we should exploit our own favorable conditions proceeding from our own specific situation. In other words, we should engage in production with our own natural resources and engage in projects with our own talents. By suiting measures to respective seasons we mean that we should produce commodities proceeding from market demands so that our products are salable and can yield money. In this regard, there is much to be learned. The market situation is ever changing. It is very difficult to master the market situation. From now on, rural cadres should learn to engage in commodity production and do business and should go deep to markets and outside places to learn about the real situation. It is not a practice of ignoring their proper duties, but is a new work task and method under the new situation. Of course, we do not mean that cadres are encouraged to do business privately; instead we mean that they should learn to guide peasants to engage in commodity production.

The people's ideology and concept should be also changed along with the changes in the situation and tasks. Compared with that of the coastal provinces, our commodity economy is not well developed and the sense of our people in carrying out commodity production and opening to the outside world is weaker. Many people have regarded the

endeavor to open business and earn money as an inglorious matter and contend that those engaged in farming work are qualified as farmers doing their duties and those engaged in business are persons of dubious character. Lots of businesses in the province have been taken up by outside firms and businessmen who contend that it is easy to make money and obtain a better life in the province, while our province's people were adopting a wait-and-see attitude toward these businesses.

Without opening businesses, how can we become wealthy! People's actions are governed by their ideology. Without fostering the viewpoint of the commodity economy, it is impossible for us to successfully develop the commodity economy and for peasants to become wealthy. It is important now that education among the peasants be carried out and that education on developing the commodity economy and becoming wealthy through working hard be deeply and extensively conducted among the peasants. If this problem is not dealt with, it will be impossible for rural areas throughout the province to change their appearance. We are now worried about how peasants will successfully spend the spare time gained by adopting the plastic-film-covering technique, which calls for no weeding or soil banking. We must find work for them, because the more leisure peasants enjoy, the lazier they become. If we concentrate on handing over farmland to topnotch farmers to develop new household-run farms, it is very possible for us to greatly upgrade the wealthy standard of the rural areas by having other peasants engage in a diversified economy in addition to doing some farming work. The more peasants are divorced from farm work, the faster the pace of becoming wealthy the province can be achieved. Being divorced from farm work does not mean that peasants are going to large cities; it means that they are divorced from farm work without leaving their hometowns and are going to plants without leaving for cities so as to build more small towns and to develop various kinds of major specialized household-run enterprises. By doing this our country can change its appearance. China is a large country with a population of 1 billion and an agricultural population of 800 million. By scoring achievements in this regard will we be able to make great contributions to mankind. Our drive to conduct reforms is aimed at building socialism with Chinese characteristics. A country has its own conditions and so do a province and county. Various localities also have their different characteristics. Under such circumstances, we should boldly study and practice ways to fulfill the task in this regard. The opinions I mentioned earlier also belong to a kind of probation. In order to make the province's rural areas prosperous, I would like to present them before all of you so as to obtain further and mutual study and discussions.

#### Northwest

**Major Power Project Completed in Qinghai**  
*OW170816 Beijing XINHUA in English 0646 GMT*  
17 Oct 87

[Text] Xining, October 17 (XINHUA)—After five years construction, a major power transmission and transformation project to boost electricity supply to northwest and central China has been completed.

The 600-kilometer, 330-kv line will bring power from the Longyang Gorge Hydro-Electric Power Station on the upper reaches of the Yellow River, China's second longest river, to the major cities of Xian, Lanzhou and Yinchuan.

The project, which began in May 1982, involved not only the extra-high-voltage transmission line but two transformer stations with a total capacity of 780,000 kva and a micro-wave telecommunications facility.

The Longyang Gorge Hydro-Power Station in Qinghai Province, is scheduled to be completed in 1989. It will have a total power generating capacity of 1.28 million kw making it the largest on the Yellow River. The first generating unit went into operation at the end of September this year.

When the whole project is completed, it will feed six billion kwh of electricity a year into the northwest China power grid, a local official here said.

**Taiwan Compatriots' Visits Welcomed**  
*HK170249 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 17 Oct 87 p 1*

[Commentator's Article: "We Welcome Taiwan Compatriots To Visit Their Relatives on the Mainland"]

[Text] The Taiwan authorities have finally made a decision and officially announced that Taiwan compatriots are allowed to visit their relatives on the mainland. This measure is favorable to exchanges between the people on the two shores and to promoting their mutual understanding. The responsible person of a relevant department under the State Council has declared that the government of the motherland and the people on the mainland will warmly welcome the visit of Taiwan compatriots.

Over the past 4 decades or so, people with family members, man and wife, father and son separated on the two shores have suffered a great deal from missing each other and being unable to get in touch with each other. The situation is really inhuman and runs counter to the natural bonds and ethical relationships between family members. For many years, we have continually appealed for "the establishment of transportation, trade, and postal relations" between the two shores. This reasonable proposal has gained more and won more support and appreciation from people at home and overseas, including the Taiwan compatriots. It is regrettable that the Taiwan authorities should have insisted on their "three no's policy," namely, the so-called "no compromise, no talks, and no contacts," with the result that the ice could not melt for a long time. However, there are always parents, wife and children in a family, and the people are for family reunion; family ties are just the way of the world, and there is no way of resisting such a tendency. Now, in the general trend of events, the Taiwan compatriots have eventually acquired the right to visit their relatives on the mainland. Although this right is granted somewhat late, it is still a precious one.

The people on the mainland will warmly welcome the Taiwan compatriots, their own flesh and blood, to visit relatives and to travel on the mainland. Their freedom to come and leave is guaranteed. Their relatives, friends and former neighbors are looking forward to them, and making all preparations for their reception. Departments concerned will also do their best to provide convenience and help in such specific problems as food and clothing, accommodation, and transportation. We wish our Taiwan compatriots visiting relatives and travelling on the mainland a good time looking for their roots and enjoying their happy reunion.

We should point out, while announcing the lifting of the ban on visiting relatives on the mainland, the Taiwan authorities have continued to impose several irrational restrictions; as a result, many Taiwan compatriots will still find it very difficult to enjoy their family reunion. As expressed by the Taiwan authorities, the current opening

up on visiting relatives is "based on traditional ethics and a humanitarian stand," but it will be unreasonable if "ethics" and "humanitarianism" are applied to some people, but not to others. The people on the two shores are members of the same family tree. It is only reasonable that their visits be reciprocal. Now that the Taiwan authorities have allowed compatriots residing in Taiwan to visit their relatives on the mainland, they should likewise allow those Taiwan compatriots residing on the mainland to enjoy family reunions in their hometowns. The 27,000 Taiwan compatriots on the mainland are longingly looking forward to this. It is our hope that the Taiwan authorities will regard the people's interests as the most important thing and adopt a wiser attitude by following the tide and public opinion.

**Travel Service To Handle Taiwan Visitors**  
*OW191418 Beijing XINHUA in English 1240 GMT  
19 Oct 87*

[Text] Beijing, October 19 (XINHUA)—Taiwan compatriots may have their mainland travel documents arranged at the China Travel Services (CTS) in Hong Kong.

Also, the Chinese embassies and consulates in Thailand, the Philippines, Japan, Canada, the United States and Brazil and China's commercial representatives' office in Singapore handle applications for such travels.

This was announced by CTS General Manager Gao Yin in an interview with *Xinhua* today, in reference to the Taiwan authorities' decision to allow some Taiwan compatriots to visit their relatives on the mainland.

"Taiwan compatriots are welcome to come," he said. "The Hong Kong China Travel Services and CTS agents in foreign countries can help them book tickets to the mainland and arrange accommodation for them during their mainland travels."

**Beijing TV Shows Taiwan Reporter in Xiamen**  
*OW180935 Beijing Television Service in Mandarin  
1400 GMT 16 Oct 87*

[Report by Xiamen Television Station reporters Bo Lujun and Lin Yuping: "Taiwan Reporter Visits Xiamen"]

[Text] Zhong Junsheng, a 29-year-old special correspondent for a Taiwan magazine *Renjian*, arrived in Xiamen City by plane on the afternoon of 8 October after concluding his visit to Beijing. He spent the evening at the house of Taiwan compatriot Jian Yuexia, located at 20 Gonghe Road, and played a popular southern Fujian game with the hosts. He also visited Xiamen University's Taiwan Institute and exchanged views with its researchers on historical ties between Fujian and Taiwan as well as customs in southern Fujian.



**Taiwan Magazine Reporter Travels in Fujian**  
*OW190854 Beijing XINHUA in English 0824 GMT*  
*19 Oct 87*

[Text] Xiamen, October 19 (XINHUA)—Chung Chun-shen, a special correspondent of Taiwan's "Renjian" magazine, has been tracing his roots in the southern part of east China's Fujian Province since his arrival here October 8.

Chung, 29, came to the mainland October 3 at his own expense to see the sights, do news reporting, and visit the hometown of his ancestors.

While in Beijing he visited the Great Wall, the Ming Tombs, the Tiananmen Gate, the Temple of Heaven, the Drum Tower, Liulichang Culture Street and other tourist attractions.

After his arrival in Xiamen, he consulted scholars of Xiamen University before deciding on his itinerary. He visited Quanzhou, Jinjiang, Huian, Nanan and Anxi to study the ancestral homes of the Lin family, one of the two largest families in Taiwan.

Chung's ancestral home is in Shantan Village in Anxi County. Bearing a message from his grandfather, he visited the village, identified his position in the family and found the location of his ancestral home, where he planted a Chinese fir as a memento.

He left his hometown in tears with a pinch of earth and a bottle of local water.

Yesterday, Chung continued his trip to Zhangzhou and Dongshan to study the historical and cultural relations between Fujian and Taiwan.

**Group From Taiwan Arrives in Guangzhou**  
*HK190611 Guangzhou Guangdong Provincial Service*  
*in Mandarin 1000 GMT 15 Oct 87*

[Text] A group of 16 Taiwan compatriots returning to their native place to visit relatives arrived in Guangzhou yesterday via Hong Kong. It is the first group of its kind. The group was warmly received by staff members and workers from the Guangdong Tourism Services Company and the Guangzhou Baiyun Guesthouse, the two units responsible for their reception. The 16 Taiwan compatriots are all residents of Pingtung County, Taiwan, and their native place is Pingyang County in Wenzhou City, Zhejiang Province. Most of them are over 60 years old, and the eldest is over 80 years old. For many of them, this is their first visit to the mainland in 40 years. This group of visitors left Guangzhou by train this morning for Wenzhou via Shantou.

**Premier Yu on Taiwan Independence Movement**  
*OW151005 Taipei Domestic Service in Mandarin*  
2300 GMT 13 Oct 87

[Text] Yu Kuo-hua, president of the Executive Yuan, solemnly declared at a meeting of the Legislative Yuan yesterday that advocating Taiwan's independence, whether or not it was manipulated, constitutes an act of betrayal against the Republic of China [ROC], undermines our state system and territorial integrity, and jeopardizes national unity. He said that prohibited by the law, this advocacy will bring irreparable disasters to the state and the nation, and plunge our future generations into profound misery.

Wu Po-hsiung, minister of interior, said that judging from the realities, Taiwan's independence is absolutely unfeasible. It is a blind alley which will bring immediate and obvious danger to the 19 million compatriots on the bastion for national recovery.

Minister Wu said: [Begin recording] What will the advocacy of Taiwan's independence entail, if it is allowed to spread? First, it is bound to create hostilities and lead to violent conflicts on the base of national recovery. Second, this advocacy will not receive any international support. Third, in the past few days of national day celebration, overseas Chinese from all parts of the world have expressed their ardent love and sincerity toward our free motherland. The primary reason is that the ROC has consistently regarded a unified China as our goal of struggle. Fourth, the advocacy of Taiwan's independence would be the best excuse for the Chinese Communists to use force. [end recording]

**Opposition Group To Seek Entry Into Country**

**Calls for 'People Power'**

*OW190845 Tokyo KYODO in English 0839 GMT*  
19 Oct 87

[Text] Manila, Oct. 19 KYODO—Leaders of Taiwan's Opposition Democracy Movement said Monday they will launch a "people power" campaign to force the Kuomintang government to hold general elections next year.

"We are planning to launch a strong mass movement, a people's power movement, to bring about general elections of the whole congressional seats next year," Hsu Shin-liang, the movement's overseas chairman told a news conference here.

Hsu, 46, is at the head of an 11-member opposition delegation that arrived in Manila Sunday for a three-day visit. The group had earlier visited Japan and Hong Kong and will fly to South Korea on Tuesday.

The plan initially involves a campaign calling for the nonpayment of taxes but could evolve to include other forms of protest such as a general strike, former political detainee Chang Chun-hong said.

He said the group will meet Senator Agapito Aquino and other leaders of the August Twenty-One Movement (ATOM) which spearheaded protests against President Ferdinand Marcos in the wake of the August 21, 1983 assassination of opposition leader Benigno Aquino.

Hsu predicted an opposition victory if general elections are held in 1988 because, "the people power in Taiwan has been much stronger now than before especially the victory of people power in the Philippines."

The opposition has only 13 members out of 325 members in Taiwan's legislature while there are only 11 oppositionists in the 900-member National Assembly. The Kuomintang-dominated assembly selects Taiwan's president and vice president.

A political exile for the last eight years, Hsu said he would be part of the group when it returns to Taipei from Seoul on Friday. He was barred at the airport and forced to take a plane out of Taipei when he returned last december.

"I have a right to go back. I don't want to try any other way. I want to go home publicly," Hsu said.

Hsu said the group had come to Manila to "pay their respects" to the late Senator Benigno Aquino and to "learn from your experience of people power."

**Welcomes 'Openness'**

*HK191313 Hong Kong SOUTH CHINA MORNING*  
*POST in English 19 Oct 87 p 2*

[By Tsang Shuk-wa]

[Text] Taiwanese dissident Mr Hsu Hsin-liang to challenge the Kuomintang government's openness by attempting to enter the country in a fanfare in an attempt to create the momentum for general elections next year.

Mr Hsu, who is travelling on a Taiwanese passport which expired four years ago, said before leaving Hong Kong for Manila yesterday he would not use a disguise or try other illegal means to enter the country.

The move would test whether the Kuomintang [KMT] government had really abandoned totalitarianism after it scrapped martial law.

The Government would be in violation of the constitution if it refused him entry, Mr Hsu said.

His Taiwanese passport, issued in 1979, carries a stamp on the last page that requires all visa or renewal applications to be referred to the Executive Yuan.

Mr Hsu said the stipulation violated his constitutional right to freely leave and enter his mother country and had virtually left him stateless.

Mr Hsu hoped the KMT government would change its mind at the last minute and withdraw its request to major international airlines to refuse to fly him.

Mr Hsu's attempt to return to Taiwan last year was grounded when international airlines allegedly bowed to Taiwan's pressure and refused to take him on board any Taipei-bound flights.

However, he eventually arrived at Taipei on a Philippine Airlines plane but was immediately sent back to Manila.

Mr Hsu, who left Taiwan in October 1979 for Britain, said he would risk activating the sedition charges he faces to test whether the KMT government was acting in accordance with the law.

He welcomed Taiwan's decision to allow its citizens to visit mainland China but worried that the move was only a temporary one, prompted by the openness of the mainland government.

Mr Hsu and 11 other dissidents, all of them members of the Taiwanese National Movement East Asia delegation, arrived in Hong Kong on Saturday for a brief stopover before setting out to Manila and Seoul. Only four of them were allowed to enter Hong Kong.

The group's East Asia tour, with Taiwan as the last stop, was aimed at making contact with democratic elements in the region.

One of the dissidents in Hong Kong, Mr Hsieh Chung-wen, contacted local labour movement activist Mr Lau Chin-shek early yesterday in an attempt to arrange a meeting but was turned down because of the tight schedule.

Mr Hsieh said he had contacted Mr Lau because they wanted to learn from Hong Kong's labour movements so he could help Taiwan's budding labour movements.

The group will meet Mr Agapito Aquino, brother of deceased Philippine opposition leader Mr. Benigno Aquino, in Manila, and leading South Korea dissidents Mr Kim Tae-chung and Kim Yong-sam in Seoul.

Japanese writer Kiyoshi Wakamiya, who witnessed the slaying of Mr Aquino when he returned to the Philippines from exile two years ago, is accompanying the dissidents.

**New Agencies To Gather Information on PRC**  
*Taipei Domestic Service in Mandarin 2300 GMT*  
17 Oct 87 OW181245

[Text] The government and the ruling party's departments concerned have decided to appoint special agencies exclusively responsible for gathering information on visits to the mainland. The information will be reviewed after 6 months as a basis for policy readjustment.

The special group for studying visits to the mainland with Vice President Li Teng-hui as its convener has reportedly reached the following consensus: The current open policy does not negate the unchangeable long-term policy and is subject to readjustment depending on the objective situation.

The special group suggested yesterday that the open policy should be reviewed 6 months from now to weigh its advantages and disadvantages. The Mainland Visits Policy Special Group was disbanded after the ruling party's Central Standing Committee adopted its suggestion. Based on the above consensus, the Executive Yuan and the Central Committee of the ruling party have appointed special agencies to gather information as a basis for future evaluation.

The government's decision to permit citizens to visit the mainland makes it inevitable that the civilian sector's foreign exchange expenditures will increase. It is estimated that this added expenditure will exceed US\$1 billion annually. However, in view of Taiwan's huge annual foreign exchange income, this newly added foreign exchange expenditure will not significantly affect the situation in Taiwan's huge foreign exchange surplus. Financial circles have pointed out that the visits to the mainland may cause Taiwan's overall annual tourist expenses to increase by more than 50 percent.

In another report, the Ministry of Finance has initially formulated a regulation governing the taxation of items brought back by Taiwan citizens from the mainland. The regulation stipulates that taxes will be exempted for items brought back from the mainland by an individual if their total value is less than NT\$10,000. An official of the Ministry of Finance said that this stipulation is similar to Article 9 of the current regulation governing taxation of items carried by tourists entering Taiwan, thus enabling a Taiwan citizen returning from a visit to mainland relatives to bring in the same amount of tax-exempted items as an incoming tourist.

**President's Letter Exhorts Graduates**  
*OW190341 Taipei CNA in English 0240 GMT*  
19 Oct 87

[Text] Taipei, Oct. 19 (CNA)—President Chiang Ching-kuo in a written message exhorted the graduates of the Republic of China's five military academies to cherish a



great ambition, to study hard unendingly and to solidify their confidence so as to better prepare themselves to accomplish the historical mission of national recovery and reconstruction.

President Chiang's message will be read by Gen. Hau Pei-tsun, chief of the general staff, at a joint commencement of the Military Academy, the Navy Academy, the Air Force Academy, the Political Warfare College, and the National Defense Administration College, to be held at the Political War College in Peitou, in the suburbs of Taipei, Monday morning.

President Chiang said graduation is the commencement of an ambitious career and the basis of revolution lies in an unending learning.

"Only through ceaseless study and training, can you advance with the time and set a good example for your followers, thus carrying on the nation's heritage to pave the way for future generations", President Chiang said.

President Chiang exhorted the graduates to solidify their determination in struggling against the Chinese Communists to create a new era in the history of the national revolution.

The President urged the graduating cadets to glorify the national revolutionary tradition to accomplish the great task of reunifying China under the Three Principles of the People.

**Finance Ministry To Stabilize Stock Market**  
*OW170317 Taipei CNA in English 0242 GMT*  
17 Oct 87

[Text] Taipei, Oct. 17 (CNA)—The Finance Ministry of the Republic of China Friday decided on a series of measures to stabilize the local stock market which has been disturbed by heavy drops in share prices with the weighted stock index plunging more than 1,000 points during the past week. The measures, aimed at stopping the downward trend in the market, include: —Increasing

the loans to stock investors by 10 percent beginning Saturday; —Reducing the stock transaction service charge from 0.2 percent to 0.15 percent and cancelling the "Stock Development Fund" levy;

—Investigating 45 companies whose stocks have been listed on the market to see whether or not their board directors should be excluded from the boards because of their overselling of shares; and

—Allowing each of the local trust companies to set up an additional MT dollar 5 billion (U.S. dollar 166 million) fund each to buy stocks on the market.

Meanwhile, Premier Yu Kuo-hua said Friday that the Government would not intervene in the local stock market in normal times, but it will take necessary measures to stabilize the market if share prices drop so much that they would adversely affect the local economy or cause social problems.

Yu made his remarks in an extempore response to an urgent interpellation by Legislator Hsiao Chu-chiao.

Worried by the drastic falls in share prices during the past week, a group of investors gathered in front of the Legislative Yuan in the morning asking the Government to save the market from collapse.

Finance Minister Robert C. Chien, however, said while answering legislators; queries that it is up to the investors to bring the local stock exchange back to a normal condition and that petitions for the Government to play a role in the market might even cause share prices to fall further.

Citing recent stock price drops in the New York and Tokyo stock exchanges, Chien said that it is normal for share prices to fluctuate, and that investors will not suffer losses as long as they make long-term investments rather than seek "shortterm speculative profits".

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